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NEWS SUMMARY

GENERAL

Libyan, Algerian units for Lebanon

Algerian and Libyan units are *to join Syrian troops operating* in Lebanon under an agreement announced in Damascus last night.

The decision was taken before a meeting of the Arab League in Cairo which called for an immediate ceasefire, withdrawal of Syrian troops, formation of a joint Arab peace-keeping force and a conference of Lebanon's warring factions.

At the United Nations, Israel ambassador Mr. Chaim Herzog said the introduction of Libyan, *Algerian and Iraqi troops into* the Lebanon would be a very dangerous development. The Soviet Government, in a statement *issued by Tass news agency*, called for an end to foreign intervention and demanded an immediate ceasefire. **Back, Page 5**

Two sentenced to die in Dublin

A Dublin court last night sentenced a young *married* couple to death for the capital murder of a policeman during a bank raid. Noel and Marie Murray, who deny the charge, now face the prospect of being the first people to be hanged in the Irish Republic for more than 20 years. Intense pressure for the sentence to be commuted to life imprisonment is likely.

Police chief's race warning

Relations between London police and many black youths are bad, Sir Robert Mark, the Metropolitan Police Commissioner, says in his annual report, issued to-day. The campaign to recruit *young coloured people had been* disappointing, but efforts would continue to make the force "representative of the multi-*racial community it serves.*" Sir Robert voiced particular concern at a growing undercurrent of violence in society.

Paul Getty's will

Oil magnate Paul Getty's £367m. estate has been *left* to 11 women, his surviving sons and his art museum in Los Angeles. Some of the women will receive a lump sum and others between £56 and £659 a month for life.

Voting plea

A system of proportional representation which would increase the likelihood of coalition Government was recommended unanimously by an independent commission sponsored by the *Hansard Society. The Liberal* Party immediately welcomed it. **Page 8**

FT on schedule

The FT trimaran sailed by Financial Times news editor David Palmer was delayed by a parted halyard yesterday in the Observer Transatlantic Race, but is still roughly on schedule. **Page 2**

Sybil Thorndike

Dame Sybil Thorndike, Grand Old Lady of the British Theatre, died at her Chelsea flat, aged 93. **Obituary Page 3**

Briefly . . .

Soviet Union exploded an underground nuclear *device in* Central Siberia yesterday, according to an unconfirmed report by the U.S. atomic energy detection system.

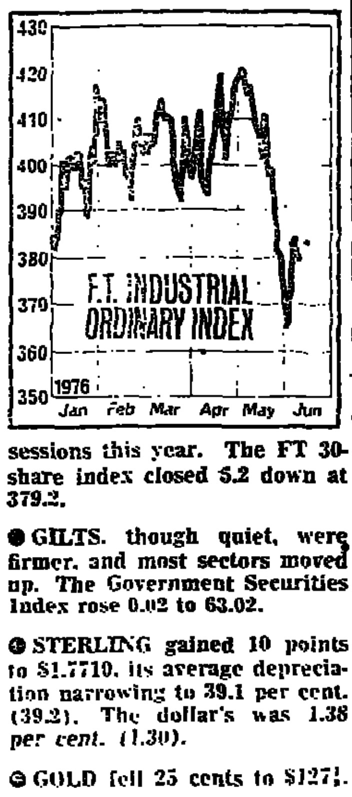
More than 100 firemen were last night fighting a large forest fire at Tawnay Common, Essex.

Four girls caught drinking scrumpy with village boys have been sent home until September from the £1,500-a-year Stonar public school in Wiltshire.

BUSINESS

Equities down 5 in quiet trading

● EQUITIES drifted lower in *one of the quietest trading*



sessions this year. The FT 30-share index closed 5.2 down at 379.2.

● GILTS, though quiet, were firmer, and most sectors moved up. The Government Securities Index rose 0.02 to 63.02.

● STERLING gained 10 points to $1.7710, its average depreciation narrowing to 39.1 per cent. (39.2). The dollar's was 1.38 *per cent. (1.30).*

● GOLD fell 25 cents to $127¼.

● WALL STREET closed 1.88 down at 958.09.

● COMMODITIES index at 231.32 (228.72) was the highest since April, 1974.

● CEGB was given support by *the Electricity Council for its* claim for common [illegible] for [illegible] 40m. losses from the Holyhead aluminium smelter. The council *has set out in a policy paper* the ground rules it would like the Government to adopt in long-term energy planning. At *the same time, a consumer body* has called for a flat rate tariff for electricity and gas users. **Page 7 and editorial comment Page 18**

Chrysler losses may be more

● CHRYSLER U.K. expects to make *losses higher than the* figure of under £40m. originally budgeted, because of the fall in the pound. **Back Page.** The parent company *has dropped* plans for a consortium to build Chrysler engines in south Australia. **Page 4**

● CENTRAL GOVERNMENT borrowing requirement for the first two months of the financial *year was* £1.03bn., while the Consolidated Fund deficit rose £78m. to £653m., in line with Budget projections. **Page 7**

● MR. NORMAN WILLIS will give the key address at the special TUC congress on pay policy next week instead of Mr. Len Murray, TUC general secretary. **Page 8**

● LLOYDS BANK has applied to the *Price* Commission to increase its bank charges, following increases by Barclays and NatWest. **Page 7**

● AUSTRIA has cut bank rate from 5 per cent. to 4 per cent.

● PERNAS SECURITIES has obtained full consents for its proposed takeover of London Tin Corporation. **Page 22**

● *ICI rights issue shares worth* £20m., which were not taken up, are to be placed with investing institutions next week. **Back Page**

COMPANIES

● PHOENIX ASSURANCE *pre*-tax profits for the first quarter to March 31 increased from £2.86m. to £4.73m. **Page 21 and Lex**

● P & O chairman says he is confident this year of reversing downward trend in profits over past 15 months. **Page 23.**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 11½pc 1979	£100	+ ¼
Argyle Secs.	36	+ 3
Armitage Shanks	59	+ 4½
Camrex	43½	+ 3½
Charrington Gardner Locket	33¼	+ ¼
Johnson Matthey	375	+ 15
Jones and Shipman	78	+ 5
Portals	149	+ 5
Ransomes *Sims and* Jefferies	125	+ 5
Stothert and Pitt	102	+ 6
United Engineering	24	+ 3
Anglo American Coal	490	+ 30
Charter Cons.	165	+ 6
Kloof Gold	545	+ 35
Pancontinental	£12½	+ [illegible]
Randfontein	£22	+ 1
Rand Selection	590	+ 20
Tronoh	95	— 5
Western Deep	£10	+ ¼

FALLS

Airfix Inds.	105	— 10
Assed. P. Cement	157	— 4
Davy Intnl.	127	— 4
Glaxo	387	— 5
Gt. Portland Estates	212	— 4
GKN	315	— 5
Hanson Trust	128	— 7
Heath (C. E.)	402	— 6
Hunting Gibson	146	— 6
Metal Box	269	— 4
Midland Bank	265	— 5
Nat. Westminster	215	— 8
Ozalid	110	— 5
Petbow	164	— 6
Royal Ins.	270	— 8
Sun Alliance	383	— 7
Tube Invs.	338	— 8
Wallis (F. J.)	40	— 5
Wedgwood	213	— 5
BP	613	— 12
Shell Transport	432	— 10

New threat to Shipbuilding Bill

Government wards off Tory motion of 'no confidence'

BY RICHARD EVANS, LOBBY EDITOR

The Government comfortably warded off the Conservatives' first major attempt to force a General Election last night when the much-heralded Opposition motion of no confidence was rejected by 309 votes to 290, a majority of 19.

The result, which left Labour MPs elated and many Tories depressed at their party's failure *to make more impact, means that* the prospect of an early general election recedes significantly.

It showed in high relief that *the Liberals, in particular, have* no stomach for an election in their present state of disarray. Without their active support, the *Tories' chances of defeating the* Government are slender.

Labour gained its comfortable majority thanks to abstentions by all 13 Liberals and by nine Ulster Unionists. The Scottish National Party and Plaid Cymru voted with the Tories.

But despite the defeat, all the signs are of the continuing gruelling battle over the Government's legislative programme in the weeks ahead as Ministers face pressure to drop some of their more contentious Bills. The Parliamentary timetable is in an increasing state of chaos thanks to the harrying tactics of the Opposition.

A large question-mark hangs over the future of the Aircraft and Shipbuilding Industries Bill in particular, despite a favourable ruling by the Speaker in the Commons yesterday on the latest point of order raised by Mr. Robin Maxwell-Hyslop, the Tory backbencher whose procedural tactics have already played havoc with the Bill.

The Speaker, Mr. George Thomas, rejected Mr. Maxwell-Hyslop's argument that private objectors to the nationalisation *measure should be allowed to* petition Parliament in person.

He ruled that such a decision *could only be made by the House itself.*

This appeared to leave the way open for Ministers to launch the Bill's delayed report stage, but *Mr. Maxwell-Hyslop immediately* tabled an Order recommitting the Bill to a Select Committee—the procedure to be followed by a hybrid Bill.

When the Government decides to bring the report stage forward, the Speaker will have to decide whether to call the order for debate. As it is expected to have the full backing of the Shadow Cabinet, there is little doubt that he will do so.

This means that the Government will once more be faced with a united opposition against the Bill. If the Opposition won the division—they have an overall majority of three over Labour—the Bill would automatically go to a Select Committee and would stand no chance of becoming law this session.

This possibility, together with the hurdle of the Lords, means that the aircraft and shipbuilding industries will have to wait for several more weeks before the Bill's future becomes clear.

What remains to be seen, *after last night's defeat, is how* aggressively the Conservatives will continue their *harrying* tactics over the whole field of is still intense *anger* at the recent procedural tactics of the Government, although there were faint signs of the re-approachment during the debate.

Without offering any concessions, Mr. James Callaghan, the Prime Minister, called on the *Conservatives to restore normal* Commons working relations with the Government in the national interest.

He said he was prepared to discuss with Mrs. Thatcher, the Conservative leader, "the genuine feelings of grievance" about the handling of the Shipbuilding Bill.

In his speech winding up the debate Sir Geoffrey Howe, Shadow Chancellor, replied that any overtures from the Government would be considered but specific proposals would have to

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Parliament Page 8

Price Code changes will boost profits, CBI told

BY ELINOR GOODMAN AND ADRIAN HAMILTON

MRS. SHIRLEY WILLIAMS, Prices Secretary, yesterday told the Confederation of British Industry that the changes to be made to the Price Code next month would permit a substantial increase in corporate profitability.

At a hastily-arranged meeting with Lord Watkinson, the CBI's new president, Mrs. Williams gave an assurance that she would honour all the points made by the Prime Minister last month in his speech on the future of price controls.

Lord Watkinson described the *meeting as "very satisfactory."* He expected that a meeting to be held to-morrow with Mrs. Williams would be the last *Ministerial discussion before* a consultative document on the revised code is published towards the end of the month.

The CBI's optimism yesterday, after two weeks of intense discussions with officials, suggests it is now confident of obtaining an overall benefit worth several billion pounds from the changes in the Code.

From early on in the negotiations, the CBI insisted that it was the extent of the overall relief that mattered more than the mechanics of how this was to be achieved, and much of the argument in the last two weeks has been concerned with just how much relief various technical changes would bring.

Thus, while the CBI would have liked companies to have been given the option of basing *their applications for price rises* on increases in input costs as well as output costs, it seems prepared to accept a compromise *which would allow companies to* retain some of the benefits arising from increased sales and improved efficiency.

The eventual package will also probably include an increase in the present investment allowance possibly coupled with some additional relief for working capital, a reduction in the productivity deduction, as well as some measures to help offset the effects of inflation on depreciation and stocks.

Assuming a fairly static rate of demand, the effect of these changes would probably be to add around 1 per cent. to the Retail Prices Index. But the Government has apparently accepted that prices must be allowed to rise more freely if industry is to have the money to invest.

*Yesterday's meeting was ap*parently called because Mrs. Williams was alarmed by reports of severe distress among *industrialists at the progress of the* price talks with officials.

While the CBI undoubtedly was unhappy at the officials' hard

Continued on Back Page
Editorial Comment Page 18

Steel prices up next month

BY ADRIAN HAMILTON

BRITISH STEEL yesterday announced a further *round of* price increases of *from* 8 to 23 per cent. on a wide range of products, including carbon billets, *plates and stainless steel, with* effect from July 4.

Its latest rises, which have been rumoured for some weeks, *are expected to add more than* £100m. to the corporation's revenue in a full year.

The products covered are not subject to Price Commission approval since they are exempted as part of Britain's obligations under the Treaty of Paris.

The rise comes on top of an increase averaging 8 per cent. on the same products last April and immediately after a 15 per cent. increase on flat rolled products introduced at the beginning of this month.

The impact of the latest move will be felt particularly by the engineering, construction and capital goods industries, parts of which will be paying as much as a third more for their steel than at the beginning of the year.

British Steel stressed, however, *that the increase "could* be regarded, to some extent, as catching up on 1975 inflation in improved market conditions and *some of the cost inflation that* has occurred since April of this year," including higher prices for raw materials, fuel and *scrap.*

The corporation, in line with its policy of price adjustment as the market permits, would give *no assurance that further rises* would not be considered later this year. There is a strong feeling within the industry that *a further round of rises on most* products is possible in the Autumn, as the economic revival gets underway.

Left out of the latest increase, which covers a little less than half the BSC's sales, is tinplate.

The July rises vary from product to product according to specification and also include some element of restructuring of charges. They average about 12 per cent.

Implying increases of anything from £3 to £20 a tonne, the rises include: carbon billets, up by about 12-13 per cent.; carbon *billet-derived products, up an* average 10-14 per cent.; plates and rails, up 8-14 per cent.; electrical sheets, up 15-18 per cent.; alloy steel billets and derived products, up 13 per cent.; stainless steel billets and derived products, up 8 per cent.; stainless flat products, up 15-23 per cent.; and foundry pig iron, up 14-17 per cent.

The corporation said it is submitting applications to the Price Commission for increases for which commission approval is required, such as tubes, cold-reduced strip and bright bars.

BSC also announced yesterday that it has formally signed a deal giving it a 41.67 per cent. shareholding in an iron ore mining, beneficiation and pelletising project in Quebec, Canada. BSC first announced its interest in the scheme last October.

Partners with BSC in the company, which has a combined debt and equity capital of around £325m., are Sidbec, a Quebec State-owned steel producer with 50.1 per cent. and Quebec Cartier Mining Company with 8.25 per cent.

Support for pound in London and U.S.

BY ANTHONY HARRIS

MONETARY authorities in London and New York were reported yesterday to have given determined support to the pound in the currency *markets* yesterday as lack of confidence in the new exchange levels, which became evident in late trading *on Tuesday, gathered force.* At one stage the pound stood unchanged at $1.7685, trading within margins as narrow as a single *point, for some time—a clear* sign of one-way trading.

Later, firmness of the official floor under the rate restored *some confidence and commercial* buying was seen again, driving the rate up to a peak of $1.7770 at one stage. But the rate fluctuated in a fairly thin market and some dealers detected further official support. It closed ten points up at $1.7710.

At present, dealers reported, the market is testing the solidity of the official support operation. Confidence was shaken severely during the fall when official support — especially around the $1.80 level — was abandoned before the market had been effectively stabilised.

The report that £80m. was withdrawn from official sterling *balances in March — before the* really reverse decline set in — has been read as confirming that there is still a large potential *selling position overhanging the* market. Commercial buyers want to be sure that any sales of official reserve holdings, which *they feel might be provoked by* the better rates now available, will be met by official buying.

Significant

For the longer term, however, there is a growing view that provided the rate can be held at present levels for a significant period there could be a considerable upward potential.

"This is a market situation, not an economic situation," *one* dealer explained. "For some time now *there has been* an absolutely general consensus that sterling is undervalued — and equally that no-one wanted to hold it. *This is simply because* of the number of potential sellers in the market. The authorities cannot leave it to commercial holders to mop up any official holders who may feel like switching into another currency."

● TUC leaders are to ask the Government for an inquiry into the recent sterling crisis in an effort to prevent its happening again.

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£ in New York

—	June 9	Previous
Spot	$1.7690-7700	$1.7690-7710
1 month	1.00-0.95 dis	0.92-0.85 dis
3 months	2.10-2.00 dis	2.40-2.30 dis
12 months	8.65-8.45 dis	8.55-8.25 dis

Carter seems certain of nomination

BY JUREK MARTIN, U.S. EDITOR

LOS ANGELES, June 9.

MR. JIMMY CARTER, the 51-year-old former Governor of Georgia, now seems certain of *the Democratic Party's* Presidential nomination. Yesterday, in primary elections in California, Ohio and New Jersey, his opponents *failed* to deny him the delegates that would place him close to the prize and this morning important Democrats from *all strands of the Party* began falling in behind him.

Mayor Richard Daley of Chicago and Governor George Wallace of Alabama, who together control over 250 delegates, were the first to step in. Mr. Wallace said Mr. Carter had proved himself to be "the choice of the people," and asked his 168 delegates to vote for Mr. *Carter. Mr. Daley* endorsed Mr. Carter and indicated that the 86 Illinois delegates he controled would go for him.

Senator Hubert Humphrey issued a statement saying: "The primaries now are over and Governor Carter has a command*ing lead. He is virtually certain* to be his party's nominee. I therefore will not authorise any Presidential political activity on *my behalf.*"

In Atlanta this morning, Mr. Carter said he had received a commitment of support from Senator Henry Jackson from Washington State, who dropped out of the race some weeks ago with a further 250 delegates to his name.

Both Senator Frank Church and Congressman Morris Udall, *whose liberal hopes were dashed* yesterday, vowed that they would not participate in any stop-Carter movement. Showing a fine sense of *diplomacy*, Mr. Carter had spoken to both of them and relations seemed extremely amicable.

Only Governor Brown, understandably elated by his smashing success at home in California and in New Jersey, was in no mood last night to throw in the towel. "Jimmy Carter, wherever you are, I'm looking for you, I want to debate you. I want to meet *you, I want the people to make* the choice," he shouted to hordes of screaming supporters at the Los Angeles convention centre.

The tumult on the Democratic side this morning overshadowed the Republican race, which remains close after yesterday's primaries. Mr. Ronald Reagan, former California Governor, destroyed President Ford here by 65 to 35 per cent, an important psychological triumph that not only netted him all 167 California delegates, but also did the President's personal standing inside the party little good.

But Mr. Ford won in Ohio by 55 to 45 per cent. in the popular vote and, more important, *took* all but nine of the State's 97 delegates, where Mr. Reagan had hoped to pick up 20 to 30. There was no contest in New Jersey, whose 67 Republican delegates are technically uncommitted, but practically in the Ford camp.

The effect of all this is to leave Mr. Ford 57 delegates ahead of Mr. Reagan, with about 300 remaining to be chosen in State caucuses and about 200 already chosen pledged to neither candidate.

For the anti-Carter movement to succeed it had to limit the Georgian to appreciably under 200 delegates yesterday. It failed largely because of his huge victory in Ohio, where he won the popular vote with 52 per cent. to Mr. Udall's 21 per cent. and Senator Church's 14 per cent. and took 119 of the State's 152 delegates.

This enabled him to survive the Brown landslide in California, where the Governor took 59 per cent. of the popular vote to Mr. Carter's 20 per cent. and Senator Church's 9 per cent. This gave Mr. Brown 204 delegates, but Mr. Carter appeared to be winning 67 which was about what he expected.

Product

In New Jersey, too, an uncommitted spate of delegates pledged variously to Governor Brown and Senator Humphrey scored 42 per cent. to the 28 per cent. of the Carter forces (though Mr. Carter easily won the parallel non-binding popular vote or "beauty contest.")

Mr. Carter's has been an extraordinary achievement. He was largely unknown at the start *of the year, a product of the new* breed of southern politician whose energies had previously been concentrated at home in the deep south. His campaign was mapped out with remarkable prescience four years ago by the candidate and his advisers, almost all with their roots in Georgia. It involved him in running in every State bar one (West Virginia) in 30 primaries, *the most there have ever been,* and 20 caucus States.

A fresh face on the national political scene and the bene*ficiary of a national mood that* holds little love for those who are part of the Washington political establishment, his key early *strategic triumph was the* destruction of the candidacy of George Wallace, the renegade Alabama Governor.

This he managed in the first month of the primary season in Florida, Illinois, and North Carolina. He cemented this by taking the major northern industrial State of Pennsylvania against the opposition of Senator Jackson and organised labour.

Week in, week out, he always managed to win races, thus offsetting the competing victories of Governor Brown and Senator Church in the later primaries.

The Establishment cracks up, Page 18

FEATURES

ON OTHER PAGES

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LOMBARD

Gold—option we must consider

BY C. GORDON TETHER

MOSCOW-NARODNY, the Soviet Bank in London, may have appeared to be doing no more than indulging in some grinding of the Russian anti-American axe when it wrote of the monetary virtues of gold in its latest quarterly bulletin in much the same eulogistic terms as the late President de Gaulle was wont to employ to explain why he considered it to be vastly superior to the dollar.

But if was in fact giving expression to a view that is also attracting increasing support in Western European countries now that the present dollar-based international monetary system has begun to display ominous signs of cracking under the immense strains that are being imposed on it. And the theme may well be given further encouragement by the main message to emerge from the recent auction of IMF stocks—that a first step towards stabilising the metal has been taken through the creation of an effective floor of around $125 per ounce.

President de Gaulle, it will be recalled, was accustomed to refer to the immutability, dependability and neutrality of gold as assets of crucial importance possessed by no other monetary medium and never likely to be. The Moscow Narodny's variation on this theme points out that, as a real store of value with a supply that cannot be increased in an inflationary manner by resort to the world's printing presses, gold is not rivalled—not even by "such possible synthetic competitors as the IMF's special drawing rights."

A great shock

It also argues that countries prefer to keep their reserves in a neutral asset which is not dependent on another nation—and no prizes are offered for guessing which country it has in mind—whether it is that country's economic progress or its voting power at the IMF.

I have already referred to one reason why the Russians may well see themselves as having special cause to champion gold. Another is that they happen to be major producers of the stuff themselves. But that does not alter the fact that there is a great deal in what they are saying. And, as I said earlier, it so happens that they are far from being the only ones who are saying it.

The immensity of the crises that have overtaken three major currencies—the French franc, the Italian lira and the £ sterling—in rapid succession has come as a great shock to many observers of the international financial scene. And this has now been compounded by the realisation that the last upheaval had begun to pose such a serious threat to the entire monetary structure that the earlier intention to let Britain sweat it out on her own had to be dramatically reversed.

So much so, indeed, that there is a growing feeling that the present system is all but on its last legs. Currency crises, it is suggested, are likely to follow one another in increasingly rapid succession as downward plunges in some currencies leave others dangerously exposed—meaning that only more or less continuous feats of brinkmanship of the kind organised round the £ now stand between the world and the ultimate catastrophe.

It is when people start asking themselves whether we can't do better than that—indeed, whether we have not got to do better than that if there is to be any hope of getting global recovery off the launching pad—that their thoughts turn in the direction of gold.

The proof of every pudding is in the eating and no one who takes an impartial look at the world monetary scene to-day can be left with any real doubt that the dollar-oriented system on which it is based is turning out to be a highly unsatisfactory—not to say disastrous—mix. And they would also be forced to conclude that most of its troubles and deficiencies arise from the fact that it tends to incur the very disadvantages that gold—by its very nature—cannot be heir to.

Needless to say, the world monetary situation having been reduced to such a shambles by the weaknesses and excesses of the dollar-based system, it would not be easy to switch over to an entirely new system, with gold as its kingpin, overnight. But the time has clearly come to start seeing this as one of the options open to us that we have got to think about.

And in this connection, the outcome of the first auction of IMF gold should be a big help. For the principal message to emerge from this much-publicised non-event is that the world can begin to feel confident that gold is never going to fall materially below the level of $125-130 per ounce that has prevailed in recent months. It means, in short that solid progress has been made towards giving gold the greater stability that will make it much easier for it to move into the central monetary role that is now beginning to beckon.

RACING — BY DOMINIC WIGAN

Slim Jim for the Summer

TWELVE MONTHS ago Paper Chase put up his best performance of the 1975 campaign when defeating Huzzar by two lengths in the Newbury Summer Cup (3.0) and it will be interesting to see if he is able to take this valuable race for a second time to-day.

With 8-stone 2-lbs, Paper Chase carries only 1-lb more than a year ago. He has run a number of good races recently and six days ago produced his best form since last summer to finish a close second to Blagoslav in the Durdans Handicap at Epsom.

Paper Chase, who was awarded first prize in that event on the disqualification of the winner, had previously run well to finish third behind Royal Match in the London Gold Cup here, and fourth in Kempton's highly competitive Ultramar Jubilee Handicap, won by Royal Match. His chance must be respected.

At to-day's weight however, I slightly prefer that smart four-year-old, Slim Jim, who appears to be particularly well treated with only 8 stone 13 pounds.

Ian Balding's Silly Season colt ran a fine race under the formidable burden of 9 stone 9 pounds when chasing home Busted Fiddle and So They Say in the Queen Anne's Handicap at Windsor five weeks ago, and a reproduction of that running will probably earn him an overdue success

NEWBURY
2.00—Burleigh
2.30—Truce of Oman
3.00—Slim Jim*
3.30—Easy Landing*
4.00—Sir Montagu***
4.30—Sunbelt

BEVERLEY
3.30—Dusky Warrior
4.30—Quortis
5.00—Peranka

YARMOUTH
2.15—Crock of Ale
3.15—Renda
4.15—Regal Rocket
4.45—Botanist

A second likely winner for Slim Jim's partner, Joe Mercer, who farms only a few miles from the course at Long Lane, is Sir Michael Sobell's French-bred colt, *Sunbelt*.

This attractive half-brother by Baldric II to that top class miler of 1972 and 1973, Sun Prince, put up a useful performance when chasing home Broken Record in a one and a-half mile maiden event at Goodwood recently. His style of racing there suggested that the additional furlong of to-day's Childrey Stakes would suit him admirably.

Despite the presence of those well-bred and highly promising three-year-olds, Rowe Resident and Caribbean, in the Foxhill Stakes, I have little hesitation in siding with the possibly underrated Sir Montagu. He nearly succeeded in accounting for Leventis at Lingfield last month (the third was 20 lengths away), before running out an easy winner at Sandown 12 days ago.

SALEROOM — BY ANTONY THORNCROFT

Jewels brighten a dull day

AFTER THE excitement of Tuesday, when Christie's achieved record auction prices for a Japanese screen, a Japanese sculpture, and a Bonnington watercolour, yesterday was quiet in the extreme in the London salerooms. The highest prices were again at Christie's, where a jewellery sale totalled £90,137.

Fine jewels always do well because the items are eminently portable and are a recognised hedge against inflation. The best price was £8,000 from Graff, well above estimate, for a ruby-and-diamond necklace. The same buyer gave £6,000 for a sapphire-and-diamond bracelet, and Seymour paid £6,000 for a graduated jade bead necklace.

Christie's has good relations with Robson Lowe, the stamp auctioneers, which proved once again what a strong market stamps are by selling British North America for £47,427, a two-day total of £90,860. The top price was £2,100 for a Nova Scotia 1s. cold violet. But more extraordinary prices were £900 each for two 1903 experimental coils which had been very cautiously estimated to fetch £35.

At Christie's in Rome on Tuesday a sale of coins and medals made £19,866. A German Baden house order of fidelity, collar, badge, and star, sold for £1,133. A commemorative medal of the 1897 jubilee fetched £600.

Sotheby's held a modest picture sale which realised £25,935, with a best price of £700 for a pair of Dutch 19th-century still lifes. But on Tuesday it sold the five volumes, plus supplement, of John Gould and R. Bowdler Sharpe's mid-19th century monograph about humming birds, with 418 hand-coloured plates, for £12,500, and Gould's slightly earlier "Birds of Australia" for £12,000. All told, the two-day natural history and scientific book sale totalled £210,984.

At Phillip's, English and Continental ceramics made £16,620. Newbon gave £400 for a pair of Wedgwood black basalt busts of Mercury and Minerva. There was another stamp auction at Warwick and Warwick, in Rugby, which made £86,000, with a highest price of £1,100 for an 1882 £5 orange.

Christie's main saleroom is holding an evening sale to-day, disposing of fine Eastern rugs, carpets and textiles at 7.30 p.m. An Isfahan "Polonaise" silk brocaded carpet, made in the first quarter of the 17th-century, has been estimated to sell for between £20,000 and £30,000.

Meanwhile at Christie's South Kensington this afternoon there is an auction of photographs. A folio of 40 photographs of the Norfolk Broads, taken by Peter Henry Emerson in 1886, is forecast at between £4,000 and £6,000.

YACHTING — STUART ALEXANDER

Halyard parts on FT boat

A DIFFICULT day in which a halyard parted during a force 7 blow slowed progress yesterday for the 35 ft. trimaran FT sailed by the Financial Times news editor David Palmer in the Observer Singlehanded Transatlantic Race.

At 6.30 p.m. he radioed his position as 46 deg. 21 min. north, 14 deg. 50 min. west, heading 210, having decided to take a northerly course above the high pressure system centred on the Azores and head for the island of Flores.

"My best day's run was the 168 miles made on Monday," he said. "Tuesday was very bad and in the force 7 I had to climb the mast to retrieve a parted halyard. But I am still roughly on schedule for a 28-day passage. All is well."

● The Frenchman Alain Colas reported that his four-masted schooner Club Mediterranee was in the lead.

He told a French radio station he was about 70 miles ahead of ITT Oceanic, skippered by another Frenchman, Yvon Fauconnier.

LEGAL NOTICES

No 001527 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of TRANVISION LEASING LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 27th day of May 1976, presented to the said Court by PICKERING & KENYON, 23/24 Great James Street, London WC1N 3EL, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 28th day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

PICKERING & KENYON,
23/24 Great James Street,
London WC1N 3EL.
Solicitors and Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 25th day of June 1976.

COMPANY NOTICES

CHARTER CONSOLIDATED LIMITED

PROPOSALS RELATING TO TIN MINING INTERESTS

The attention of shareholders is drawn to the announcement published to-day by London Tin Corporation Limited jointly with Pernas Securities Sdn. Berhad regarding a proposed scheme of arrangement, and the announcement by Tronoh Mines Limited and associated companies concerning the proposed emigration of those companies to Malaysia.

Subject to various conditions being fulfilled and the scheme of arrangement and proposals for emigration being implemented Charter and Pernas have agreed that they will develop their tin mining interests in Malaysia in partnership through a company called New Trade Winds Sdn. Bhd. which will become owned as to 71.35 per cent. by Pernas and 28.65 per cent. by Charter.

The assets of New Trade Winds would include the majority of the existing Malaysian tin mining interests of Charter.

By order of the Board
CHARTER CONSOLIDATED LIMITED
D. S. Booth,
Secretary.

40 Holborn Viaduct,
London, EC1P 1AJ.
9th June 1976.

INTERNATIONAL DEPOSITARY RECEIPTS REPRESENTING SHARES PAR VALUE $2.50 COMMON STOCK
J. P. MORGAN & CO. INCORPORATED

A cash distribution of $0.45 per Depositary share will be payable on and after the 22nd July, 1976 upon presentation of Coupon No. 23 at:—
Morgan Guaranty Trust Company of New York,
23, Wall Street (Corporate Trust Dept.).
35, Avenue des Arts, Brussels.
33, Lombard Street, London.
82 Frankrijklei, Antwerp.
at the designated rate, less applicable taxes.

This distribution is in respect of the regular quarterly dividend payable on the Common shares P.V. $2.50 J. P. Morgan & Co Incorporated on the 15th July, 1976.

RANSOMES SIMS & JEFFERIES, LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER REGISTER for the Debenture Stock will be CLOSED from the 11th to the 25th June 1976 both dates inclusive, for the preparation of interest warrants.

By Order of the Board
C. P. BOOTH
Secretary

Nacton Works
Ipswich

WEST COAST ASSOCIATED TANNERIES LIMITED

NOTICE IS HEREBY GIVEN that the REGISTER of the 5½% Cumulative Redeemable Preference Shares of the Company will be CLOSED for one day on June 16th, 1976 for the preparation of the Dividend Warrants payable on June 30th 1976.

By Order of the Board.
J. A. MATTOCKS
Secretary

The Tannery,
Millom
Cumbria LA18 4LT.

THEATRES—(Cont.)

WYNDHAM'S 836 3028. Mon., Tues., Thurs. and Fri. at 8.00. Wed. and Sat. 5.30 and 8.50. HELEN MIRREN, DAVE KING, MARTIN SHAW. TEETH 'N' SMILES. "DAVID HARE'S BEST PLAY — VIVID AND EXCITING." D. Tel.

YOUNG VIC (by Old Vic). 928 6363. Tnt. & We Do It For Love. 80p. Nat. Theatre summer season opens next week. All seats £1.25 for Troilus and Cressida. Emigres, visit of Hull Truck in Bridget's House, all seats 50p for short shows The Man Himself and Adrian Mitchell Performs His Poems.

CINEMAS

[illegible]

ART GALLERIES

[illegible]

CLUBS

[illegible]

TV/Radio

(† indicates programme in black and white)

BBC 1

7.05-7.55 Open University (UHF only). 9.41 For Schools, Colleges. 1.05 p.m. On the Move. 1.15 News. 1.30 Fingerbobs. 2.00 You and Me. 2.15 For Schools, Colleges. 3.35 Steddfod yr Urdd. 3.58 Regional News (except London). 4.00 Play School. 4.25 The Mole and the Lollipop. 4.30 Jackanory. 4.45 Blue Peter. 5.15 Boss Cat. 5.40 The Wombles.

5.45 News.
6.00 Nationwide.
6.35 Tomorrow's World.
7.20 Top of the Pops.
8.00 Porridge.
8.30 Monty Python
9.00 News.
9.25 Second Verdict.
10.15 Omnibus.
11.05 Tonight.
11.40 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.40 p.m. Bilidowcar. 6.00-6.55 Wales To-day. 6.55-7.20 Heddiw. 8.30-9.00 Blodeuagerdd. 10.15-10.55 An Obsession in the Family. 10.55-11.05 A Horseman At Home. 11.40 News and Weather for Wales.

Scotland—6.00-6.55 p.m. Reporting Scotland. 11.40 News Summary and Weather for Scotland.

Northern Ireland—2.40-3.00 p.m. For Schools. Ulster in Focus. 3.58-4.00 Northern Ireland News. 6.00-6.55 Scene Around Six. 11.05-11.35 City of Song: Londonderry. 11.40 News and Weather for Northern Ireland.

England—6.00-6.55 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth).

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.05 The Health Show.
7.25 Weather.
7.30 Newsday.
8.10 Spirit of the Age.
9.00 Call My Bluff.
9.30 The Roussos Phenomenon.
10.20 Rhoda.
10.45 Network.
11.15 Newsnight.
11.30-11.35 Closedown. John Westbrook reads "The Way Through the Woods" by Rudyard Kipling.

LONDON

9.30 a.m. Schools Programmes. 10.30 Untamed World. 11.00 Schools Programmes. 12.00 Tom, Dick and Harry. 12.10 p.m. Hickory House. 12.30 Here's Good Health. 1.00 First Report: News, FT index. 1.20 Lunchtime Today. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Rooms. 3.00 Moody and Pegg. 3.55 Quick on the Draw. †4.25 Children's Film Matinee: "Vote for Huggett" starring Jack Warner, Kathleen Harrison and Diana Dors.
5.50 News from ITN.
6.00 Today.
6.35 Crossroads.
7.00 The Six Million Dollar Man.
8.00 Spring and Autumn.
8.30 Clayhanger.
9.30 This Week.
10.00 News.
10.30 Help!
10.35 Thursday Thriller: "Trog" starring Joan Crawford and Michael Gough.
12.15 a.m. Betty Boop.

All ITV Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 4.25 The Romper Room. 4.55 Spiderman. 5.20 Castaway. 6.00 About Anglia. 6.20 Arena. 7.00 Cash and Company. 10.30 Now and Then: John Constable. 11.15 Comedy Hour. 12.10 a.m. The Living Word.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.25 The Lone Ranger. 4.50 Time Tunnel. 6.00 ATV Today. 7.00 The Magician. 10.30 Gardening Today. 11.00 Police Story. 11.55 Colin Marchant.

BORDER

1.20 p.m. Border News. 6.00 Border News and Lookaround. 7.00 Island of Adventure. 10.30 Gardening Today. 11.00 Boney. †11.55 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 Children's Matinee: "Custard Pie Parade." 6.00 Channel News and Weather. 6.10 Wildlife Theatre. 7.00 Combat. 10.30 The Thrillseekers. 10.55 Vision USA. 11.00 Firehouse. 11.50 News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 4.25 Tarzan. 5.20 Wonder Weekly. 6.00 Grampian Today. 7.00 The Magician. 10.30 The Odd Couple. 11.00 Second Profile. 11.30 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 4.25 Survival. 4.50 The Flintstones. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. †6.30 Command Performance. 10.30 Mamie. 11.00 The Zoo Gang. 11.55 The Challenging Sea.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Tell Me Why. 4.55 Fantastic Voyage. 5.20 Chucklehounds. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 "The Great Ice Ripoff," starring Lee J. Cobb. 10.30 Musket, Fife and Drum. 11.00 The Late Film: "A Little Game."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25-4.55 Ble 'Yn Y Byd . . . ? 6.01-6.18 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Women Only. 4.25 Tarzan. 5.20 Piper and his Friends. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 Jason King. 10.30 Drive-In. 11.00 Late Call. 11.05 The Baron.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.25 Tarzan. 5.20 Porky Pig. 5.25 Crossroads. 6.00 Day By Day. 6.35 University Challenge. 7.05 Island of Adventure. †10.30 The Late Thursday Film: "No Room at the Inn," starring Freda Jackson. 12.05 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 4.25 The Little Rascals. 4.50 Beachcombers. 5.20 University Challenge. 6.00 Today At Six. 7.00 Emergency. 10.30 Hawaii Five-O. 11.30 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 4.25 Tarzan. 5.20 Tell Me Why?—Sheila Armstrong. 6.00 UTV Reports. 7.00 The Big Valley. 10.30 From Glen to Glen. 11.00 The Pathfinders.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. †4.25 Children's Matinee: "Custard Pie Parade". 6.00 Westward Diary. 7.00 Combat. 10.30 Politics West. 11.00 Firehouse. 11.30 Westward Late News. 11.33 West Country Job Finder. 11.40 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.25 Thunderbirds. 5.20 University Challenge. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emergency. 10.30 Emmerdale Farm. 11.25 Drive-In.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including this week's new Top 30 LP discs, and 12.30 p.m. Newsbeat. 2.02 Ed Stewart (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Simon Bates (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Ray Moore (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 Ed Stewart (S) as Radio 1, but including on 1500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Two By Two. 7.30 Sports Desk. 7.33 David Allan's Country Club (S). 9.02 Wally Whyton with Both Sides Now (S). 10.02 Sports Desk. 10.05 Folkweave (S). 11.02 Don Durbridge with The Late Show (1500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

† Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composers: Chabrier and Duparc (S). 9.40 The Scholars (S). 10.00 Joaquin Achucarro piano recital, part 1 (S). 11.25 Interval Reading. 11.30 Recital, part 2. 12.25 p.m. Viennese Variations, part 1 (S). 1.00 News. 1.05 Viennese Variations, part 2 (S). 1.40 "Vanessa," opera in four acts, music by Samuel Barber: Acts 1 and 2. 2.35 In Short (talk by Anthony Dorrell). 2.45 "Vanessa," Acts 3 and 4. 3.55 Mozart and Dvorak, Chamber Music concert (S). †5.00 The Developing Musician (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Lifelines: The Wider World. 7.30 Elgar's "Caractacus," part 1 (S). 8.15 Hamlet's Aunt and other relations (talk). 8.35 "Caractacus" part 2 (S). 9.05 Contrary Voices: The friendship of D. H. Lawrence and Bertrand Russell (S). 10.25 St. John's, Smith Square, Chamber music concert (S). 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today including 7.25 VHF Regional News; 7.45 Thought for the Day. 8.00 News and more of Today including 8.25 VHF Regional News. 8.45 Yesterday in Parliament. 9.00 News. †9.05 These You Have Loved. †10.00 News. †10.05 From Our Own Correspondent. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 If You Think You've Got Problems! †11.50 A Country Walk With Andy Price. 12.00 News. 12.02 p.m. You and Yours. 12.27 My Music (S). †12.55 Weather and programme news: VHF (except London and S.E.) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour († from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 3.50 Jack de Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report: VHF Regional News. 5.55 Weather, Programme News. 6.00 News. 6.15 Dad's Army. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 Any Answers? 8.00 The Royal Jester: The life and times of Dan Leno (S). 8.45 Analysis: Rhodesia in the Front Line. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only): 9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Tony Fish with Rush Hour. 9.00 Susie Barnes with London Live. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Sound Out. 4.32 Richard Vaughan with Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Why We Live In London. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2 until Closedown.

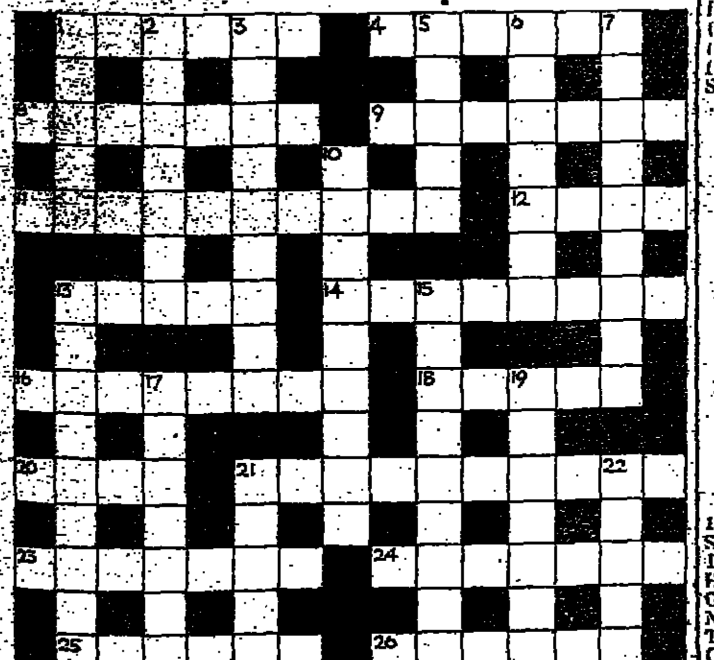
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 3.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 Graham Dene—the breakfast show. 9.00 Michael Aspel. 12.00 Dave Cash—Cash on Delivery. 3.00 Roger Scott. 7.00 Jane Walmsley and Bryan Wolfe—London Today. 7.30 Adrian Love: Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 The Late Show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,101



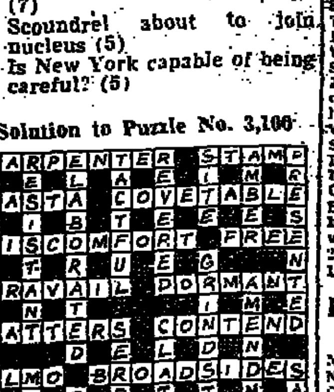
ACROSS

1 Comic affair to make one cry (8)
4 Notice simply to put right (6)
8 Preserve a way to a game (7)
9 Lectures daughter ran (7)
11 Blow out induces Scots leader to devour grain (4-2, 4)
12 Delight in getting key to shelter (4)
13 Nymph boring a dunderhead (5)
14 Leaving for holiday (8)
16 Hedge when winning 6-0 in 10 minutes (5-3)
18 Horse the French put in fishing boat (5)
20 Design one part of aeroplane (4)
21 Skip impudence in dressing (5, 5)
23 A divine conclusion to a lot of appendices (7)
24 Dying art of three-quarter play (7)
25 Playwright patronising the local? (6)
26 Impudent as a Bath chap (6)

DOWN

1 Will everybody keep quiet first (5)
2 Ask again to harvest practice (7)
3 Posted in a differently opposed region (9)
5 Funny to recall old-fashioned penny bun (5)
6 Post at Highbury is honourable... (7)
7 ...so the engineers go to the front (9)
10 15 stoner featured prominently in press (5, 4)
13 Helpless with laughter at having shared room (7, 2)
15 Kitchen pest puts fish under-tap (9)
17 Interest in business (7)
19 Money that is going to a club (7)
21 Scoundrel about to join nucleus (5)
22 Is New York capable of being careful? (5)

Solution to Puzzle No. 3,100



GENERAL APPOINTMENTS

Leonard Burt

Annette Crosbie, Alec McCowen, Judy Parfitt, Michael Bryant and Helen Lindsay

Criterion

The Family Dance

by MICHAEL COVENEY

The scene of Felicity Browne's play is a large kitchen, elegantly designed by Eileen Diss, of a large house in Berkshire. It is the week-end and "the young bloody people," several hundred of them, are coming to a dance. Fenced off by the generation gap and a solid wall, the Musgraves—two brothers, their wives and a married sister—fiddle with the party preparations and tickle each other's middle-aged emotional wounds. They all live in this house at the expense, it seems, of the older brother, Ben (Alec McCowen), a stockbroker.

"Someone had to make money to keep you all," he moans. Brother Toby (Michael Bryant) is well on the way to alcoholism, taking with him a regret that his brother never gave him more of a lead. They squabble over Socrates, the old family rocking-horse. Ben's wife Sophie (Annette Crosbie) is approaching a breakdown. She communicates with her husband only, if at all, through recrimination and argument. As Ben prowls the kitchen in his red smoking jacket, poking around in the fridge for something to complain about, Sophie demands a divorce. "Who from?" asks Ben before hurling her request, as it were, in the waste disposal along with a dish of mulberries he is displeased to discover decorated with duck stock.

Toby's wife, Victoria (Judy Parfitt) is in a state of sexual turmoil over the sister's husband's brother. The sister's husband has retired to bed but appears briefly to fill his glass late in the play. The sister herself, Diana (Helen Lindsay), is a county lady, overbearing to a degree of awfulness that I suppose is familiar to people unfortunate enough to know the type. But, yes, she is human too. Toby encourages her to dance a little on the kitchen table when they are alone and to remember the ghosts of deceased relatives and faded servants. And, in Act 2, she recalls meeting an old flame in Bond Street. She loved that man. He is now fat and bald. The sight drove her to the Ritz, where she was sick in the lavatory.

The first act closes with the news that Sophie has taken an overdose. The altercations continues after the interval with the company taking turns to walk Sophie round the large table. She passes out. Ben pummels her chest and she returns to life. While Diana and Victoria beseech her to think of the children, Ben shouts that he wants her to hold his hand when his teeth drop out. He, too, can give love, but nobody wants it. Sophie and Toby strike a secret alliance. Ben remarks that nothing has happened while a few children danced "and thought the world would go on for ever."

Maybe it will, and maybe plays like this will continue to draw a discreet veil over the theatre of the last 20 years. Felicity Browne writes some good catty dialogue and her director, Jonathan Hales, has assembled a good cast to do the job; but the script is in dire need of surgery, for it meanders repetitively for long passages. Marriage is a trap, we learn, from which no-one escapes. Especially if you are boring, drunk, selfish, lazy, middle-class and middle-aged. As an exercise in cultivating that old theatrical chalk garden I found it all quaintly uninteresting.

Book Reviews are on Page 25

Record Review

Piano music

by DAVID MURRAY

Franck: Piano works. **Fauré:** Nocturnes nos. 7 and 10. Paul Crossley. Oiseau Lyre DSLO 8. £3.25

Chabrier: Piano works. Annie d'Arco. Calliope CAL 1828/29. £6.58

Dukas: Variations, Interlude and Finale on a theme of Rameau. Pierné: Variations in C minor. Annie d'Arco. Calliope CAL 1811. £3.29

D'Indy, Chausson and Guy Ropartz: Piano music. Annie d'Arco. Calliope 1812. £3.29

Louis Durey: Piano works. Françoise Petit. Calliope CAL 1815. £3.29

The fashionable piano repertoire is not so rich that it can afford to ignore all Frenchmen but Debussy and Ravel. Débutants remember Franck, and Chabrier and Poulenc make occasional encores: scarcely anything more is heard. These recent recordings are a reminder that after Brahms, piano writing was virtually re-invented by the French—by a whole generation of them, and not only the two famous masters.

Paul Crossley's record recalls happily the end of the previous French school. Franck's two major piano works—the *Prelude, Chorale and Fugue* and the less familiar *Prelude, Aria and Finale*, both written in his 60s—are sometimes said to suggest organ-writing, but it is really a matter of evoking organ-sonorities; the keyboard writing is firmly in the Schumann tradition. Crossley gives it a richly even sound and the right stately, unhurried tread, and his part-playing—there is plenty of counterpoint—is beautifully lucid. The trickling return of the Chorale in the midst of the Fugue is as telling as ever. Perhaps to keep any academic chill at bay, Crossley softens the music with a continual discreet rubato, and it makes the performances sound a little domestic: the longest perspectives of the pieces do not come perfectly into focus. For the same reason, his readings of the late Fauré Nocturnes lack final authority, for all their devoted warmth: the unbelievably long lines of this splendid music reveal themselves only over the deepest and steadiest pulse. Even without that, there is enough to admire.

Fauré's piano idiom, wholly personal though it became, suggested nothing of what was to come. People often suppose that the French piano revolution had its roots in Satie and, through Ravel, in Liszt. But Liszt appears only in special places, like Ravel's *Gaspard*; and Satie's treatment of the keyboard in his 1890's music is its only aspect which is *not* revolutionary. The true subversives were the Spaniard Albeniz—and Emmanuel Chabrier, who at 38 threw up his Civil Service job, after a pilgrimage to Munich for *Tristan*, to become a full-time composer. When his *Dix Pièces Pittoresques* were first performed, Franck declared, "We have just heard something extraordinary. This music is a link between our own epoch and that of Couperin and Rameau."

The piano music of "our own epoch" was melody with chords, tastefully broken up into liquid figurations. Chabrier, like Albeniz, exploited the percussiveness of the piano, its extreme registers, its capacity for different and simultaneous articulations. The *Dix Pieces* and virtually all the rest of his solo piano works are on Annie d'Arco's two-disc album. She dispatches the best-known fireworks with gusto, and the cheerfully sentimental pieces with fresh charm, though she is sometimes overcome by good taste—"Paysage," "Idylle" and Ravel's beloved "Menuet Pompeux" are immoderately lady-like and wilting (and she is much too cavalier with Chabrier's precise phrasing and pedalling). The brilliant inventiveness survives, and much of the sense that a cabaret band has somehow been reassembled as a single piano.

In an altogether cooler manner, the masterly *Rameau Variations* of Dukas display the same muscular spareness and concision, though they postdate his thoroughly Franckian Sonata of 1900 by only three years. Here Mlle. d'Arco is more confidently at home. Dry-eyed and even-tempered, full of contrapuntal originality, it is one of the last works which the self-critical Dukas allowed to be published (he burned 30 years' worth of music before he died), and it deserves an honoured place in the repertoire. Mlle. d'Arco is slack with some of the Rameau-esque double-dotting, but otherwise crisply assured. She is equally sympathetic with Pierné's fine C minor *Variations* directly inspired by his discovery of Albeniz, though the sheer top-to-bottom scope of the keyboard treatment costs her some perceptible effort. Cortot revered this work.

Composed eight years after the dignified and curiously poignant Pierne piece, Vincent d'Indy's *Thème Varié, Fugue et Chanson* seems a professionally fluent throwback, smooth and unmemorable. D'Indy has joined Chabrier on the *Tristan* expedition, but in his case the impact was not balanced by anything like Chabrier's attachment to the frank delights of cabaret and operetta: his music remained decorously 19th-century. Mlle. d'Arco does it full justice, but on the same record Guy Ropartz's 1929 suite, *Croquis d'Automne*, strikes a much more personal note, modest but freshly musical. Chausson's little *Paysage* is a negligible fill-up.

Finally a real curiosity (another Calliope record, available through Continental Record Distributors): a disc of piano music by Louis Durey. One of the original members of "Les Six," that strangely assorted group of Young Turks, Durey broke away early and rapidly achieved almost total obscurity. Later he became a devoted Communist, and he was still writing music well into his 80's. The earliest pieces on Francoise Petit's record are astonishingly radical—there are two impressionist-ostinato pieces from the time of the First War (dedicated to Satie and Ravel), and three stern, near-atonal Preludes: Durey had come upon Schönberg's *Book of the Hanging Gardens* and was much impressed. But he never ceased to be susceptible to influences, and the later music is so eclectic as to have no backbone at all. By then, French piano music had flowered and gone to see[d]

Palladium

Julie Andrews

by ANTONY THORNCROFT

Julie Andrews, everyone's favourite nanny, returned to the Palladium last night after a 17-years' gap to show us how to stand up straight, speak beautifully, hit top notes, and cope with unlady-like sweating.

It was obviously going to be an Occasion from the standing ovation as soon as the brisk lady in white marched on the stage, but at the end there was a slight sense of disappointment, not so much with Miss Andrews' abilities but with her mean use of them. Her lesson lasted just an hour and then she was off leaving dedicated fans looking quite lost.

Despite her wholesome image, or perhaps because of it, Julie Andrews has her attractions. She sings well and has been given some good songs during her career. She is self-effacing to the point of gaucherie which can seem charming. She is graceful and dances energetically for her 40 years. It all adds up to an unusual talent which is not exploited to the full.

She only rarely stretches her voice and is apt to lose the point of her song with inconsequential anecdotes. Her dancing is bewildering rather than beguiling because she chooses to be supported by four ungainly male dancers. Her whole stage act is jagged, with too many costume changes, too many rapid shifts of mood, too little creation of atmosphere.

But the real complaint is the brevity. A quick burst of the "Sound of Music" in front of drawn curtains, an encore and then the house lights are up. A career which includes some of the most impressive commercial successes on film and stage deserves a more sustained airing, and it would also have been nice to hear some of Miss Andrews' own favourite songs rather than the music that has been foist upon her through her character parts.

The lady-like lecture was just getting to be interesting and the living Julie Andrews faintly discernible, when it was all over and the mystery of how the precocious child from Walton-on-Thames became a superstar still remains.

Mike Westbrook's Brass Band helps Half Moon to save Wilton's

Composer/pianist Mike Westbrook will be bringing his five-strong brass band to Alie Street, London, E.1, on Saturday next to support the Half Moon Theatre's efforts to raise money to save Wilton's Music Hall in Cable Street, E.1. The following day the band appears at the 100 Club, Oxford Street.

On Sunday, June 20, at the Sherman Theatre, Cardiff, the band will be joined by guests Alan Jackson (drums, alto, vocals), Butch Potter (bass, banjo, guitar, flute), and American tap dancer Will Gaines in a *Heritage of Jazz* evening which is described as "a musical entertainment presenting classics from all periods of jazz—ragtime, blues, swing, New Orleans, bebop, etc."

The Brass Band will also be appearing at the York Festival, Chichester 901 Festivities and the Corby Festival.

'Second Chance' exhibition

Second Chance is an exhibition of works that have been short-listed but not hung at the Royal Academy Summer Exhibition. They have been chosen by a jury that includes Dr. Roy Strong of the V. and A., Sir Norman Reid of the Tate, Miss Pauline Vogelpoel of the Contemporary Art Society and senior professors from art schools and colleges.

The exhibition can be seen at the Chenil Galleries, Chelsea, from June 14-25. Admission is free.

Arts, Cambridge

A Kick in the Stalls

I have the impression, this year's Footlights Revue is not up to its usual high standard. It seems generally that university revue has been in the doldrums lately—neither Oxford nor Cambridge produced anything outstanding last year — as adult entertainment values have become increasingly more undergraduate, so the professionals eke out their Footlights' images for years. TV competition creams off the opportunities for up to the minute political and social satire. A pity really, for most student shows seem to be trailing behind, merely sending up television techniques, when once they were in front.

The best sketches are those where there is a direct transmission of reality, and some hard, headline comment. Jimmy Mulville's opening auditioning of the audience is good though not new; in the couple of sketches Nonny Williams does on her own (though in the first, the park bench seduction, the material is weak), she is brilliant. The second sketch, a telephone call with alphabetical infusions galore, is exactly the kind of thing there ought to be more of. Verbal rather than visual humour is not only more stimulating, but less likely to go wrong.

The audience expects more up to the moment political humour, so the sketch writers (15 of them named) should show more courage. For example, a 1945 Kamikaze sketch is very old hat, though quite well done, but a reference to kamikaze cods flying through the air to attack British trawlers gets a big laugh. Traditional Footlights material, the duet of Michelangelo covered in polyvinyl, or the couple of Italian crooks kidnapping a goldfish, is palatable. But the Oedipus, This-Is-Your-Life is a bit laboured.

Three strong performers emerge. Michael Landymore, a suave and engaging personality, with an effective deadpan sense of humour; Jimmy Mulville, already named, who has a good line in TV interviewer mannerisms is lively and Liverpudlian. He should be encouraged to expand his repertoire. And Nonny Williams, who has a really first rate sense of timing. The choreography is atrocious, the music middling, and surely someone could have come up with a better title.

GARRY O'CONNOR

Letter from Wiesbaden

A Midsummer Night's Dream

by ELIZABETH FORBES

The Wiesbaden Festival is truly international. This year companies or ensembles from France, Czechoslovakia, Japan, Austria, Germany East and West, Brazil, Italy, Holland, the U.S. and Great Britain are taking part. The Hessian State Opera is presenting *Pelléas et Mélisande*, Monteverdi's *Il ritorno d'Ulisse in patria* and a concert performance of *Parsifal*, while Scottish Opera is giving performances of two operas by Benjamin Britten, *The Rape of Lucretia* and *A Midsummer Night's Dream*. As the State Theatre in Wiesbaden is being renovated at present, performances are held in the Kurhaus—the town is a famous health resort—or in the Walhalla, a cinema decorated in Jugendstil rather like a set for *Rosenkavalier*.

Anthony Besch's production of *The Rape of Lucretia* was reviewed on this page after its first performance at Stirling this Easter. It was apparently received very well by the Wiesbaden audience, despite a last minute cast change when Patricia Kern became indisposed and Carol Rosen flew out from London to take over the title role. Toby Robertson's much-travelled staging of *A Midsummer Night's Dream* is a robust production that stresses the sexual jealousy and eroticism to be found—as the Wiesbaden programme rightly points out—in the text. Robin Archer's set, basically a portable stage, framed with pillars and curtains, can equally well serve as the wood near Athens or Duke Theseus' Court. The fairies are tough, grubby urchins who spy on the lovers, dress up in the Rude Mechanicals' costumes and generally make thorough nuisances of themselves. Oberon (John-Angelo Messana) and Titania (Glenys Fowles) quarrel with passionate intensity, and make it up again with the same fervour. The four lovers (Catherine Wilson, Linda Ormiston, David Hillman and Gordon Sandison), who wear embroidered Balkan costume and could have strayed out of Shaw's *Arms and the Man*, are also violently and emotionally involved with each other.

Puck (Julian Littman) is a meddling, mischievous devil who gets soundly thrashed by Oberon for his mistakes. The Mechanicals are first and foremost artisans, with lives going on apart from their brief moment of glory at Court. Bottom (William McCue) is the confident, bumptious one might almost say, extrovert to be met with in any amateur dramatic society, while Flute (Francis Egerton) is the more nervous type who usually steals the show in the end. Scottish Opera's team of comedians has played together since the production was new, and its ensemble work is flawless. Theseus (Ian Comboy) and Hippolyta (Claire Livingstone), as well as the lovers, join democratically in the dance at the end of the play scene, and midnight strikes only just soon enough to prevent some unforeseen couplings.

Paradoxically, the magic of Britten's score is enhanced by the matter of factness of the individual characters. Roderick Brydon (who conducts both operas) obtains clean, lithe playing from the orchestra while his flexible tempos help the singers without losing the shape of the music. The Germans know their Shakespeare, so audience response is immediate and positive, with gales of laughter in the play scene, and prolonged applause at the end.

Gales of laughter and prolonged applause also greeted a very different work in a very different theatre: the Komische Oper in East Berlin, where I saw the 226th performance of Walter Felsenstein's 13-year-old production of *Ritter Blaubart*, as Offenbach's *Barbe-Bleue* is called locally. Queueing up for half an hour to pass through Checkpoint Charlie is not perhaps the best way to get in the mood for such entertainment, and indeed the first scene of the operetta (and the production) does hang fire. But once Anny Schlemm's Boulotte has taken the stage, all is well. Her attack has the punch and force of a pile-driver, and if some Gallic wit is lost, a great deal of pungent Berlin humour is gained. Hanns Nocker sings Bluebeard with strong, ringing tone while Werner Enders is marvellously funny as a skimpy King Bobèche attired in a black jump suit tastefully decorated with fleur-de-lys.

Some of the other costumes are pretty nasty, but Wilfried Werz's monumental sets are appropriately splendid, especially the tombs of Bluebeard's five far from defunct previous wives. Felsenstein's production is obviously not as fresh as it was some 200 performances ago, and now he is dead there is the danger that his stagings will atrophy rather in the way that Wieland Wagner's did at Bayreuth. But a house mainly filled with young people responded with lightning speed to the jokes (the translation is by Felsenstein and Horst Seeger) and seemed to love the music. Joachim Willert conducted with a spirited, rhythmically precise hand. Opera in West Berlin will be dealt with in another report.

Dame Sybil Thorndike dies

Dame Sybil Thorndike, 93, died in London yesterday. She had a heart attack about four days ago and her death was the result of a second attack.

B. A. Young writes: Few people working in the theatre to-day were even alive when Dame Sybil Thorndike made her debut in 1904, in *The Merry Wives*. She intended to be a pianist, but suffered so much from nerves that she gave it up and went to the Ben Greet school. Ben Greet took her straight from here on a four-year tour of America. As she and her brother, Russell, had been indefatigable amateur actors since infancy, she knew all the lines in all the plays, and in fact took 112 parts on the tour.

Her next important milestone was Miss Horniman's Gaiety Theatre company, which she joined in 1908, staying there for two years, and rejoining again in 1912 for a further year. It was in this company that she met Lewis Casson, whom she married, an ideally happy marriage both personally and theatrically.

She was one of the original Shakespeare company at the Old Vic in 1914. She stayed there four years, playing not only all the plum women's parts but, as the war took the men away, male parts like Prince Hal, Ferdinand, and Launcelot Gobbo. The rate of payment was 10 shillings a show.

Shaw wrote *Saint Joan* for her when she and Lewis Casson had already commissioned a Joan play from Laurence Binyon. She first played the part in 1924, and revived it on and off until 1932.

The range of her work was immense: there is hardly a worthwhile part, from Medea to Mrs. Alving, from Lady Macbeth to Mrs. St. Maugham, that she has not been seen in. The full list of them takes up three and a-half entire pages in *Who's Who in the Theatre*. Even at the end of her life she kept up with the current stage; in 1967 she played Claire Lannes in *The Viaduct*, Marguerite Duras's first shot at *L'Amante Anglaise*; two years after that, opening in the week that included her 87th birthday, she played in a new piece, *There Was an Old Woman*, at the theatre named after her, the Thorndike at Leatherhead.

In her early twenties, Sybil Thorndike was told by a specialist that she had so badly strained her vocal cords that she could never speak on the stage again. On his instructions she remained totally silent for six weeks, and then began afresh the work of voice production. Voice production became an obsession of hers, and rightly, for her own organ was marvellous; when she opened the Young Vic she took the occasion to urge the young people present to work at it above all else.

She was always concerned with the welfare of the young. She was also deeply interested in religion, her father, a Church of England clergyman, having been one of her strongest early influences. She was the author of a book, *Religion and the Stage*.

Dame Sybil's last public appearance was on April 16 this year when she summoned up her strength and attended the final night of the National Theatre's stay at the Old Vic. She managed a voice to the players on the stage and she received a standing ovation.

WORLD TRADE NEWS

AUSTRALIAN ENGINE CONSORTIUM

Talks end but Toyota and Nissan to enter market

ADELAIDE, June 9.

NEGOTIATIONS TO establish a consortium to build four-cylinder engines at the Lonsdale plant of Chrysler Australia in South Australia have been terminated, a Chrysler statement said.

The intention was for the engines to be built to power Nissan Motor, Toyota Motor and Chrysler small cars with assistance from the Government agency, the Australian Industry Development Board. However, talks between the parties were broken off due to technical and other difficulties, Chrysler added.

Meanwhile, in Canberra, Industry and Commerce Minister *Mr. Bob Cotton said the* Australian Government has accepted Nissan and Toyota as local car manufacturers in its 85 per cent. local content plan. Under this plan, car manufacturers have to achieve 85 per cent. local content on a company-wide basis by end-1984. The remaining 15 per cent. of components receive tariff concessions.

He said the approval followed satisfactory proposals for the sourcing of the four-cylinder engines by the two Japanese companies, but gave no details, saying that this was for the companies to announce.

The local units of Nissan and Toyota were unable to make a statement on the engine sourcing, but Nissan said a statement will come from its Japanese parent. Mr. Cotton said arrangements to procure the engine involves co-operation with car and component makers already established in Australia, with full utilisation of Chrysler's foundry in South Australia and increased orders in that state.

Chrysler said it will continue with plans to build the four-cylinder Mitsubishi Astron engine as originally planned if the consortium fell through. *General Motors-Holden's (GM-H)* has previously said it plans building four-cylinder engines, using existing Melbourne facilities. Both companies are willing to sell engines to the Japanese.

The Government recently met with GM-H, Chrysler and the Japanese on rationalising four-cylinder engine production, but today's statement made clear the government expects to see at least two manufacturers in Australia.

The entry of Nissan and Toyota into the country's car-making industry follows growing Australian demand for small Japanese cars, informed sources said.

Toyota and Nissan will become fourth and fifth Australian car *makers after GM-H, Ford Motor* Company of Australia and Chrysler, they added.

Meanwhile the Australian Government has announced that it will monitor car import levels, forward orders and stocks held in bond to prevent disruption to the local motor industry when import quotas are lifted at end-1976.

Mr. Bob Cotton said the Government is prepared to act *quickly* if disruption is threatened by an abnormal level of imports, or orders for imports, although the 45 per cent. tariff was the Government's preferred mechanism for enabling local car makers to achieve about 80 per cent. of the local market.

The previous Labour Government imposed import quotas at 90,000 units a year or about 20 per cent. of the market in January 1975 following a rapid upturn in imports from Japan.

Reuter

U.K. defends policy on dumping

Financial Times Reporter

A STRONG defence of Government anti-dumping policy came yesterday in a Department of Trade report pledging "vigorously" to protect U.K. industry from unfair competition.

The report, on anti-dumping policy and procedure, points out that there have been 139 investigations into alleged dumping *since 1959. Of those, 27 resulted* in the imposition of anti-dumping or other additional duties, another 27 resulted in price undertakings or similar remedies, 18 were withdrawn by the applicants before the investigations were over, eight are being handled by the European Commission, and ten investigations are still in progress.

The way anti-dumping activity *has been stepped up as the re*cession has advanced is highlighted by the report. Of the 139 investigations since 1959, 42 date from the start of 1973, with the majority of those taking place in the last 12 months.

To prove dumping is often very difficult the Department stresses. If a case is proved, an anti-dumping duty is imposed, subject to Parliamentary approval. Recently, however, an increasing number of cases are being settled simply by the exporters raising their prices.

This is done without the need for Parliamentary permission and looks like being increasingly common, particularly as inflation can rapidly overtake higher duties, and a further rise in duty requires a time consuming re-*investigation*.

The U.K. Government's responsibility for anti-dumping action finishes at the end of June, 1977, when it becomes entirely the responsibility of the EEC Commission, the report points out.

FT CONFERENCE

Egypt needs capital market

BY PETER FIELD

CAIRO, June 9.

THE IMPORTANCE to industrial development in Egypt of creating a money and capital market was stressed by Dr. Abdel Moneim Al-Banna, deputy governor of the Central Bank of Egypt, on the final day of the Middle East Development Conference in Cairo. The conference is organised by the Financial Times and Al-Akhbar in con-*junction with Egyptair.*

Dr. Banna said the present exchange rate policy and exchange control system have hindered economic activity and "an important reform is being seriously considered." This reform would minimise regulations and restrictions on holding and using *foreign* exchange, encourage the transfer to Egypt of Egyptian savings held abroad, boost foreign investment and foreign bank deposits in Egypt and start a free currency market for the Egyptian pound.

Members of the foreign banking community attending the conference were doubtful that the reform could be introduced by next month—the time set—or that the Central Bank would have the resources to carry it through.

Dr. Banna said the new Banking Law of 1975 will enable the Central Bank to play a bigger part in encouraging economic development, especially by allowing the bank flexibility to restore equilibrium in interest rate levels. The law also gave the commercial banks the freedom to deal with any economic sector which they did not previously have.

He added that an industrial bank with capital of £E10m. had been set up. This would help small-scale industry to *modernise, a previously* neglected area in development priorities.

A suggestion that the Egyptian Government publish a regular news sheet on their latest plans and distribute it to embassies, chambers of commerce and multinational corporations throughout the world was made by Mr. R. E. Cawthorn, president of Pfizer Africa Middle East.

He also suggested that the Government introduce long-term tax holidays as Ireland and Malaysia have done for export-orientated industries. The tax laws should be reviewed to encourage re-investment instead of re-patriation of profits, the investment law should be extended to foreign companies which set up in Egypt before the law was passed, and a more flexible *employment policy* should be allowed for foreign companies in Egypt, he claimed.

With an improvement in communications and housing, Mr. Cawthorn added, "Cairo would be the ideal regional headquarters for the Middle East and would attract many international companies together with the foreign exchange required to finance these operations."

Mr H. W. A. Francis, vice-chairman of Tarmac, pointed out that the Middle East provided orders for British contractors *worth £314m. in the twelve* months ending March 1976 out of a world total of £1.12bn. Opportunities for international contractors in the civil engineering sector included port facilities in Port Said and Suez, tunnels under the Suez Canal, land reclamation and drainage and canal widening.

The absence of a property market in the modern sense anywhere in the Arab world was described by Mr. Ahmad Ali al-Duaij, chairman and managing director of the Kuwait Real Estate Investment Consortium. He said people go by their whims and prices are regulated by sudden supply and demand. However, a start on developing such a market has been made.

Other speakers included Dr. *Hafez Ghanem, Egyptian Deputy Premier*; Mr. Charles Cullum, director of C. T. Bowring (Insurance) Holdings, and Mr. H. Ridehalgh, consultant of Sir William Halcrow and Partners.

U.S. warns of steel shortage

By Stewart Fleming

NEW YORK, June 9.

A FURTHER warning of possible *future scarcities of steel supplies* came to-day from Mr. Frederick Jaicks, the chairman of Inland Steel, America's sixth largest steel producer.

Mr. Jaicks told the joint economic committee of Congress that steel shipments this year will be 89m. tons, a level that points to tight supply conditions for flat rolled products by the *end of the year.*

He added that current projections for 1977 show that steel shipments will be close to the peak levels of 1973 and 1975 and total about 108m. tons.

Against this background he urged that in view of the long lead times between making decisions to invest and new capacity actually coming into production (this can take between two and five years) scarcities are possible if capital formation is not improved. He added that the Government should move faster to permit capital recovery under the tax laws.

The supply position in the steel industry has become the subject of a series of warnings from industry leaders in recent months. Some of the largest companies have said that they are now approaching around 90 per cent. of capacity utilisation and suggested that if scarcities do develop they may seek to increase prices again.

British mission to Bulgaria

FINANCIAL TIMES REPORTER

A 20-STRONG British trade mission, organised by the London Chamber of Commerce and Industry, is to visit Bulgaria from June 14-19. The purpose of the mission's visit, which is being made at the invitation of the Bulgarian Government, is to examine the two-way trade opportunities arising from Bulgaria's new Five Year Plan.

The mission, which is being led by Mr. Leopold Friedman of Rubery Owen Holdings Ltd. and Chairman of the Chamber's Bulgarian Section, includes representatives of many of Britain's leading exporters, as well as bankers and importers. Companies on the mission include Hawker Siddeley, EMI, GKN, Imperial Foods, Clarke Chapman, British Leyland, Guinness Peat, S. W. Beresford, Morgan Grenfell, National Westminster Bank, Fendrake (Kleinwort Benson), Radyne, Berk, B.I.C.C. and Beecham Research.

Several members of the mission are currently negotiating quite substantial deals.

Among the sectors of potential co-operation that have been selected by the British and Bulgarian Governments are agriculture, food processing, engineering, the electrical industry, electronics, chemicals and third market projects. There have already been a number of significant deals signed by Rubery Owen, Cadbury-Schweppes, CJB, Plessey and Brockhouse.

One aspect of the new Five Year Plan which is thought to offer some *prospects* for British industry is its concentration on re-equipment and expansion of existing plants, rather than the building of completely new installations. Another new development is Bulgaria's growing interest in western consumer goods which includes the purchase of licences and finished products.

An allocation of $30m. has *been set aside this year for* purchasing consumer goods from the West as part of the Bulgarian Government's plan to increase the variety of consumer goods available in the shops. Bulgaria is staging its first consumer goods fair this year to be held in November.

The British Overseas Trade board is also organising a British pavilion for the International Plovdiv Fair in September—a fair at which Bulgaria traditionally negotiates about 40 per cent. of its foreign trade deals.

Last year 17 British companies took part in the fair. This year 20 companies have so far decided to participate, some of these acting as principal for as many as 18 other companies and the list is still open. At least one of the two major deals currently under negotiation between British companies and the Bul-*garian authorities is expected to* be concluded at this year's fair.

A decision is also expected within the next few weeks on the first stage of Silistra agro-industrial complex. Part of the initial consultancy work is understood to have already been awarded to a U.S. consortium but a British consortium, headed by S. & W. Berisford and including ICI, Simon Carves and *Massey Ferguson is currently* negotiating for the other consultancy. In the second stage contracts for the implementation of the project are expected to be shared by a number of contractors.

In 1975 U.K. exports rose to £23.6m. from £18.0m. in 1974 but in the first three months of the current year exports are down at £4.8m. against £6.6m. a year ago. A major problem in Anglo Bulgarian trade is that Bulgaria's exports to Britain have been falling sharply.

Finland-Iran trade accord

HELSINKI, June 9.

FINLAND and Iran signed a trade agreement to-day after the first session of their economic co-operation committee with the aim of diversifying and expanding their mutual commercial contacts. Traditionally Finland has bought oil from Iran and Iran last year became Finland's biggest non-European trading partner after the U.S. Finland has so far sold mainly paper and board to Iran.

AP-DJ

AMERICAN NEWS

CALIFORNIA'S PROPOSITION 15

Bid to curb N-power fails

BY JUREK MARTIN, U.S. EDITOR

LOS ANGELES, June 9.

THE CONTROVERSIAL Proposition 15, which would have imposed severe curbs on nuclear power development in the State of California, was heavily defeated in yesterday's primary there. Voters rejected it by about two to one after a sharply-contested and expensively-waged campaign.

The nuclear power industry has not escaped from California entirely unscathed, however. Last week Governor Brown signed into law three Bills which also contain safety controls, though nothing like as stringent as those in Proposition 15. The new Bills were designed to take some of the steam out of the nuclear issue (Governor Brown, for example, had never disclosed his own feelings about the matter) and as a tactic it clearly works.

There were 14 other propositions on the California ballot and the votes on them may well give some clue to the mood of the average voter in 1976. Generally, Californians rejected measures that would have increased State spending but went along with proposals that might be described as anti-business. The State also decided in favour of legalised bingo, for what that is worth.

Senator John Tunney, the incumbent, meanwhile overcame the vigorous challenge of Mr. Tom Hayden in the Democratic primary election for his Senate seat in California. He beat the former anti-war activist and husband of Jane Fonda, the film actress, by 60 to 40 per cent., a much wider margin than had been predicted in the public opinion polls.

But Senator Tunney's problems may only have begun because it is generally considered that he faces a tough contest in November against the surprising victor in the Republican primary Mr. S. I. Hayakawa. The Professor of Semantics, a Democrat until two years ago but without prior experience of electoral politics, easily beat Mr. Robert Finch, who was a Cabinet member in the Nixon Government in 1969 and 1970, and Congressman Bell, a well-known local Conservative representative.

Mr. Hayakawa, who is 69 and whose reputation rested on the putting down of student unrest at San Francisco State University in the 1960s, ran a campaign without money and apparent organisation. His great success has prompted many experts to conclude that he poses a real threat to Senator Tunney in November.

Mr. Tunney, a liberal, was pushed to the right by Mr. Hayden's assaults. However, analyses of the poll attribute his victory largely to his great strength among California's black voters. This probably owes much to Mr. Tunney's close connection to the Kennedy family and to the support he received from Mr. Thomas Bradley, the popular and able black Mayor of Los Angeles.

Establishment cracks up, Page 18

OAS split on human rights issue

BY HUGH O'SHAUGHNESSY

SANTIAGO, June 9.

WITH THE question of the violation of human rights in Latin America in general and Chile in particular occupying the centre of the stage at the general assembly of the Organisation of American States (OAS) here, deep splits have emerged among delegations on the subject.

Senator Dudley Thompson, the Jamaican Foreign Minister, is continuing to hold out for strong action and the release of prisoners by Chile. So far, however, his is a lone voice.

Many other governments whose own records would scarcely bear inspection are silent or are calling for no action to be taken. In an intermediate position are Colombia, Costa Rica, Ecuador, Honduras and Venezuela, which have tabled a motion urging Chile to respect human rights, calling for another report on the Chilean situation at the next General Assembly and calling on the Pinochet regime to allow the Inter-American Human Rights Commission to enter Chile and take evidence.

Dr. Henry Kissinger, having delivered a carefully phrased message on the subject yesterday, is not expected to make any new call for action on the subject and the U.S. is likely to go along with whatever majority eventually emerges on the matter.

Yesterday's U.S. statement, which was the subject of much last-minute re-drafting, was seen as a disappointment by some observers but one remarked "It went much farther than Henry would have gone this time last year."

Paul Betts adds: In a statement in London yesterday, Amnesty International urged the OAS to act on the latest wave of political *arrests in Chile.* Although the Chilean Government announced before the OAS meeting the release of 405 political prisoners, Mr. David Simpson, director of Amnesty's British section, said that it was important to view the Chilean announcement in the context of the 5,000 or so political prisoners still detained there.

PANAMA and the U.S. told the OAS here to-day that they expected negotiations over the future of the Panama Canal to enter their final stage this year. In a joint report presented to the OAS General Assembly, they said that differences persisted between the two sides on important matters.

But they said that they hoped to achieve this year a final impetus in the negotiations which have been going on for 12 years.

Reuter

Getty will filed in Los Angeles

BY JAY PALMER

NEW YORK, June 9.

THE BULK of Mr. J. Paul Getty's estate, estimated to be between $2bn. and $4bn., has been left to his California fine-arts museum, a psuedo-Roman villa located near Malibu overlooking the Pacific Ocean. It houses the greater part of his extensive art collection.

Other specific bequests, according to a will filed yesterday in Los Angeles, were made by Mr. Getty to his surviving children, one of his divorced wives and a number of female friends. The will made no estimate as to the size of Mr. Getty's personal fortune but simply said that his estate "had a value of over $1m."

Mr. Getty left very different sized bequests to his children. Two sons, one of whom has since died, were each left 2,000 shares of the Getty Oil Company valued at about $330,000. His two other sons, Gordon Peter Getty, and Eugene Paul Getty (who is also known as J. P. Getty Junior) were each left "$500 and nothing else."

It was this grandson, J. P. Getty III who was kidnapped in Italy in 1973.

In drawing up the will, which was dated 1958 and had 21 later alterations and amendments, Mr. Getty instructed that his surviving children should act as joint executors.

In addition to putting aside a large sum for the creation and perpetual upkeep of a special mausoleum and cemetery near his museum in California, Mr. Getty made a number of large cash bequests and income-for-life gifts to eleven lady friends.

ANTI-TRUST DEPT CHIEF TO LEAVE

By David Bell

THE HEAD of the U.S. Justice Department's Anti-Trust Department announced last night that he is to return to a university job in July because he feels that he has not been given sufficient support by the Attorney General, who is in charge of the Department.

Mr. Thomas Kauper who had been intending to return to the academic life in any case, said he had *chosen to leave now* because of a lack of support from above. His policies have apparently been overruled several times and he has been a supporter of the Anti-Trust Bill which is now before the Senate

GM takes Wankel option

BY STEWART FLEMING

NEW YORK, June 9.

GENERAL Motors has exercised *an option under its licensing* agreement for the Wankel engine which will only involve the company in further payments if the engine comes into production.

The decision reflects the relatively slow progress the company is making with development work on the engine, particularly in the light of federal standards that *the industry is anticipating* in relation to fuel economy and emission control.

Under a February 1975 agreement GM said that it could complete all payments for the rotary engine licence either by making a $12m. payment by June 30, *1976, or it could elect to make* total payments of $17m. based on a fee of $5 per engine manufactured. These terms are set forth in the revised licence agreement with Audi, NSU, Wankel GmbH and Curtis-Wright Corporation.

General Motors has decided to take the option of relating its licence payments to the produc-*tion of the engine. This decision* reflects the setback in development work and the likelihood that it will be some time before production of the engine will start, even if the technical problems are solved.

Bolivia emergency

The Bolivian Government yesterday put the country under a State of Siege, arrested several trade union leaders and sent troops to occupy key mining areas, Reuter reports from La Paz. The Interior Minister, Colonel Juan Pereda, said that the move followed the discovery of a "gigantic subver-*sive plot which threatened to* plunge Bolivia into civil war." The measures followed clashes between students protesting against the reintroduction of national service and police and troops in Oruro, 150 miles south-east of the capital.

Tyre dispute talks

Talks between striking rubber workers and Firestone Tyre and Rubber resumed yesterday afternoon in Cleveland, after two days of meetings in Washington with the director of the Federal Mediation and Conciliation Service (FMCS), Reuter reports.

Embassy radiation

The Russian-generated radiation problem at the American Embassy in Moscow has improved but has not been eliminated, the Senate Foreign Relations Committee has been told in a private State Department briefing, UPI reports from Washington. The briefing was conducted by Lawrence Eagleburger, executive assistant to Secretary of State Henry Kissinger.

Mexican fishing zone

Mexico has postponed application of a new 200-mile economic offshore zone until July 31 to provide time for negotiation of fishing treaties and other adjustments, AP-DJ reports.

Bomb injures three

Three employees of the Yugoslav embassy in Washington were injured when a bomb exploded outside the building yesterday, Reuter reports. An anonymous telephone caller said that the bomb was planted by a group calling itself the Pan-Epirotic Federation of America and Canada, which wanted to protest against alleged maltreatment of *Greek minorities in Yugoslavia,* Bulgaria and Albania.

In Belgrade, the Yugoslav Foreign Ministry lodged a formal protest with the U.S. Embassy over what it termed a "terrorist attack." The State Department in Washington deplored and condemned the bombing.

Liberty occupied

A small group of Vietnam war veterans yesterday occupied the Statue of Liberty to back demands for increased benefits for ex-servicemen, Reuter reports from New York.

MEXICAN POLITICS

On being Third Worldly

BY ALAN RIDING, MEXICO CORRESPONDENT

IT IS PROBABLY questionable whether Mexico is a Third World country, either in terms of economic development or of political commitment. It is a country with a burgeoning industrial base that can hardly be compared with, say, Tanzania; and it has 2,000 miles of common border with the United States to temper any dreams of true independence.

But being Third Worldly is as *important to the Echeverria* administration as being "revolutionary" is to the ruling system. And the fact that it is no less a posture than being "revolutionary," in no way weakens its role as a new rhetorical pillar of the system.

As a result, it is of secondary importance that foreign diplomats should become impatient at Sr. Echeverria's frequent appearances before international fora, or that his bid to follow Dr. Kurt Waldheim as the Third World's UN Secretary-General should not have succeeded.

Being Third Worldly is essentially for domestic consumption: it serves to inject some life into Mexican politics, and it cleverly creates a scapegoat—the First World—for the short-comings of half a century of "revolutionary" regimes.

It is true that, in international affairs, Mexico has in recent years swung from its traditional alignment with Washington to fervent identity with the Third World. This may well prove to be the most important change wrought by the Echeverria regime.

But the militancy that Mexico *displays at home is not always* in evidence when it comes to negotiating or voting on Third World issues abroad. In the North-South economic confrontation, for example, Mexico will not be found alongside, say, Algeria. On the political front, the American Jewish tourist *boycott that followed Mexico's* anti-Zionist vote at the UN last November soon brought a *volte-face* on the issue. The pragmatism that has kept Mexico from joining OPEC or the Non-Aligned Nations' Conference once again asserted itself.

To domestic public opinion, though, the Third World is presented as a solemn creed and Mexico as its leading apostle. *Leftist intellectuals* are natural believers, while local politicians are speedy converts. But the *well-orchestrated Press* plays the most vital role of all, by enshrining the phraseology of the Third World movement.

> 'The militancy that Mexico displays at home is not always in evidence when it comes to negotiating or voting . . . abroad.'

As a result, it is difficult for Mexicans to judge objectively the impact of President Echeverria's various initiatives in international affairs, such as "his" UN Charter of Economic Rights and Duties of States, the Latin American Economic System (SELA) and the Economic System of the Third World.

Local newspapers splash stories about the advance of these *initiatives* with such frequency that readers can hardly fail to be impressed by Mexico's ascendant role in the Third World. Few television viewers, for example, could be expected to know that the UN *Charter of Economic Rights* and Duties is largely unheard of outside Mexico.

These tactics, however, are not new. The enshrinement of certain words and phrases has always been used as a method of sustaining credibility in the long ruling system. The word "revolutionary," for example, is used with deep reverence. "Peasants," "agrarian reforms" and even the name of the late President Lázaro Cárdenas, who nationalised the oil industry here in 1938, also assume a special aura when used in speeches. And now, "Third World"—as a noun, adjective and adverb—has been added to the rhetorical weaponry.

The Education Ministry's radio station, for example, has been renamed Radio Third World. A *large dam has been rechristened* the Third World Dam. A new centre for research into development problems, over which Sr. Echeverria will preside when he leaves office in December this year, is called the University of the Third World. Nearby, a new building will soon house the Third World Forum, a grouping of left-wing intellectuals from various developing nations. And, almost by definition, all the official Congressional candidates in the July elections have been pronounced "profoundly third worldly."

But the strangest assertion of Mexico's Third Worldliness lies in the appointment of a commission of scientists to verify whether a glass case full of bones in the mountain village of *Ixcateopan* contains the remains of Cuauhtemoc, the last Aztec Emperor, who bravely—though unsuccessfully—tried to hold off Cortés and the *conquistadores* 450 years ago. Two previous commissions have failed to authenticate the bones, but the need for a new hero is evident. Sr. Echeverria explained: "In the bold fight that the Third World is waging to end the process of colonisation that was imposed upon us by the world powers, Cuauhtemoc is the seminal antecedent who began the organised resistance against colonial dependency and exploitation." In other words, Cuauhtemoc is also to become a Third World flag-bearer.

Yet, while Sr. Echeverria is undoubtedly the main instigator of Mexico's Third Worldliness—and no one could question the sincerity of his belief in the need for a "new world economic order"—this position will certainly survive the change of government late this year.

Some American newspaper commentators, for example, have suggested that the next President, Sr. José Lopez Portillo, will be less Third Worldly because, as a former Finance Minister, he must be more sympathetic to traditional capitalist models of development.

But Third World solidarity is now an integral part of official rhetoric and posturing and, like revolutionary fervour before it, has taken on a life of its own. It may not impinge upon the pragmatic execution of policy, but it will never be betrayed in public. After all, if formal association with the Third World will enable the López Portillo government to continue blaming transnational corporations, industrialised nations and the CIA for Mexico's ills, it would be pointless to change policy.

OVERSEAS NEWS

The eerie darkness of Beirut under siege

BY IHSAN HIJAZI

BEIRUT, June 9.

BEIRUT, ALREADY a "city of the dead," is now moribund in other respects than the slaughter of the past 14 months. *It is without electricity*, water, telephones or telex. The Syrian forces have put it under siege and cut it off not only from the rest of the world, but from the rest of Lebanon as well.

The power department has been trying frantically to repair one of the 11 electricity lines that used to feed the city. Every time maintenance crews finish the repair work, the line is disrupted by shelling. Some people believe this is done deliberately to plunge Beirut into darkness at night and create an eerie atmosphere to *oppress* the wrought nerves of most Lebanese.

Without power, the pumping of water to the town stops. A daily sight is small children with plastic containers ducking bullets in certain areas to reach a water hole. Without electricity, the telephone does not function properly internally and internationally.

International telephone calls provided a major link with the outside world after the new authorities in charge of the main post office cut off the telex.

Each telex subscriber has been told his line will be reconnected if he pays L£5,000 (about £1,000 sterling) to these authorities. They made the point that telex bills had not been paid in months because of the continuing crisis.

For foreign correspondents trying to get the news to the rest of the world, so-called "pigeons" or travellers, used to provide a good vehicle. But Beirut airport has now been closed and the responsible authorities have declared that it will be reopened only after security conditions permit.

A direct beam to London by Reuters news agency is a consolation, but correspondents can only use it until the evening, when the privately-owned generator has to be turned off, on the instructions of the gunmen guarding the street outside. The gunmen explained that the loud noise of the generator could provide a signal for enemies wanting to shell the neighbourhood.

Fourteen months of fighting has made it unsafe for many *Beirutis to travel to certain* areas of the country. But until the Syrian troops crossed into Lebanon a week ago, Lebanese could travel by road to Damascus. Now this is not possible because of the fighting on the main Damascus-Beirut highway between Syrian forces and their Palestinian and Left-wing opponents.

Another highway which was open at least to the Moslems was the one south to the port of Sidon. Since the clashes erupted a few days ago between rival Palestinian factions, the Syrian-run Al Saiqa has cut off this road at the outskirts of Khalde.

The measure has played havoc with the provision of supplies, especially flour. Supplies had already become a problem because lack of refrigeration resulting from electricity cuts has destroyed large quantities of perishable goods.

Beirut was already short of bread, but the city was promised flour supplies from Sidon. A ship carrying a big consignment of flour and which had docked at the southern port a few days ago slipped out to sea yesterday without unloading after fighting between Syrian troops and their opponents intensified.

U.S. concern grows

BY DAVID BELL

THE U.S., having for some days turned something of a blind eye to the large scale Syrian intervention in Lebanon, is now *beginning to make public its* growing concern about the deteriorating situation.

State Department officials are worried less about how Israel *views the intervention than about* the increasing possibility that the Syrian army might get bogged down in a long war of attrition with the Palestinians which could *make a settlement even more* difficult than it looks at present.

The Defence Department admitted to-day that the U.S. is *now working out fresh plans in case it needs to evacuate Ameri*can embassy staff or the approximately 1,000 U.S. citizens still in the country. A spokesman denied that this meant that the Department thinks that open warfare is now more of a possibility.

All this poses a major dilemma for the administration. Having tacitly supported at least a measure of Syrian intervention it does not now want to criticise President Assad too openly, not least because there is some concern about his own internal political position. On the other hand, there is also considerable concern here over the rising indignation being expressed by other Arab states and there is some apprehension about what would happen if this Arab opposition were to turn into outright intervention.

The Israelis, meanwhile, are still thought here to be prepared to stay on the sidelines, although the Administration remains in constant touch in an effort to head off any possible Israeli moves should the situation *deteriorate markedly*.

UPI adds from New York: Israel boycotted the start of a new UN Security Council Palestine debate to-day and its Ambassador, Mr. Chaim Herzog, denounced the session as "the height of international hypocrisy and callousness" in view of the 14-month-old war in Lebanon. He said: "At least 37 military groups of different loyalties are operating in Lebanon."

The sixth council discussions, "designed to focus attention on Israel while the tragedy of the dismemberment reaches its climax, is the height of international hypocrisy and callousness," he said.

Angolan expulsion on 'Callan' trial

LUANDA, June 9.

THE ANGOLAN Government to-day announced that it was expelling an American woman journalist whom it accused of acting as a link for mercenaries and "Angolan agents of imperialism" during the civil war in Angola.

Officials said that the journalist twenty-eight year-old Robin Wright part-time correspondent for the Christian Science Monitor and the Washington Post, would be placed on the next plane leaving Luanda.

Miss Wright was the first to report the killing of 14 white mercenaries, executed at the alleged orders of their leader, during the Angola war.

Angolan police detained Miss Wright last night. She said that before her detention that she had been asked to testify at the trial due to start here on Friday of 13 white mercenaries captured last February in the civil war, but she refused.

A Government communique said to-day that Miss Wright was in northern Angola during the war in company with Holden Roberto, leader of the defeated National Front for the Liberation of Angola (FNLA).

The communique continued: "From an interview with one of the defendants, it was definitely established that Robin Wright served as a link person between, on the one hand, the mercenaries and, on the other the Angolan *agents of imperialism* living in Kinshasa."
Reuter

● Jane Bergerol writes: Tens of thousands of Angolans demonstrated here this *afternoon* against the mercenaries, and called for the death sentence for those due to stand trial here later this week.

The Government has not been involved in planning this afternoon's demonstration, which was apparently called for and organised by the people of Luanda through their base committees and organisations.

Agreement signed on Djibouti independence

BY RUPERT CORNWELL

PARIS, June 9.

THE THREE main parties in Djibouti have reached a preliminary agreement on the process that will lead France's last colony on the mainland of Africa to independence, probably within the next 12 months.

The text was signed separately last night at the Department of Overseas Territories here by the *National Independent* Union (UNI) led by the enclave's embattled chief Minister M. Ali Aref, by the parliamentary opposition, and by the long-outlawed African Popular Independence League (LPAI) which has links with neighbouring Somalia.

For the most part the agreement is straightforward enough, with the groups pledging support for a Djibouti whose sovereignty and existing frontiers were respected after independence. All three back formal recognition by international organisations and by the neighbouring states of Ethiopia and Somalia.

There is unanimous agreement on the need for close cooperation between France and the fledgling state although it is not clear what will happen to the military base that Paris maintains in Djibouti.

However, the statement does contain a clear reference to the weakening position of M. Aref who is under pressure both at home and from the French Government to resign and thus smooth the passage to independence. The chief minister, indeed, last week publicly accused France of dropping him.

It is expressly provided for that "in the event of a change of Government" (for instance, the departure of M. Aref) that the three parties would back a strong joint administration in which they would participate.

It is now up to the French authorities to draw up a Bill on independence to be approved by the National Assembly here before a referendum is held on the question in Djibouti.

Rhodesian youth heads emigration statistics

SALISBURY, June 9.

AN AGE breakdown of nearly 1000 Rhodesians who have left the country last April—the biggest *monthly exodus for more* than 10 years—shows that almost half of them were in their 20s or 30s, according to official statistics published to-day.

Figures released earlier had shown that 939 people, including 320 whites, left the breakaway British colony in April. It was easily the biggest loss since the months immediately *following* the 1965 Unilateral Declaration of Independence.

To-day's figures showed that 458 of the men and women emigrating were aged between 20 and 40. No age breakdown for white emigrants only was given.

The April figures also showed that professional men including 25 doctors, 18 teachers, and 12 accountants left.

There were also 29 women teachers and 19 nurses. Clerical *and production workers included* 28 men employed in mechanical engineering, 91 women clerical workers, and 29 *electricians and others*. Fifty administrative employees also emigrated.
Reuter

Our *Salisbury* correspondent writes: A prominent Rhodesian farmer to-day urged the Government to consider confiscating the land of people who supported or assisted terrorists in Rhodesia. The chairman of the Rhodesian Cattle Producers' Association, Mr. George Whale, referred explicitly to the Lonrho managing director, Mr. Roland Rowland, whom a leading black nationalist claimed had given financial assistance to the guerillas.

Saudis drop prices of heavier crudes

NEW YORK, June 9.

ARABIAN AMERICAN Oil said to-day that Saudi Arabia has cut the prices of its medium and heavy crude oils by 5 and 10 *cents a barrel respectively*. Kuwait cut its price for heavy oil by 7 cents, yesterday.

Aramco pointed out that heavy and medium crudes, which are used mainly as industrial and marine fuels, are a very minor portion of overall oil production in Saudi Arabia. The effective date of the Saudi price cuts was *not known. The Kuwait price* cut was retroactive to June 1.

The Saudi Arabian light priced at $11.51 a barrel is the official benchmark for Opec pricing and is *unchanged*.

The new price for the medium is $11.28 and for heavy $11.04.

Demand for heavier grades of *crude produced in the Opec coun*tries has been stagnant for months.

It was not immediately clear what Iran might do following the *cuts by Saudi Arabia and Kuwait*. Iran's heavy oil, which accounts for about half its output, was considered to be overpriced compared to the Kuwait and Saudi grades even before the new reductions.

Meanwhile in Caracas, the average selling price of Vene*zuelan oil—currently $11.04* a barrel—has increased by 7 cents between January and May, according to Venezuela's Finance Minister Hector Hurtado.

When the state took over the country's huge oil industry on *January 1 this year*, Venezuelan oil sold for an average of $10.97 a barrel, the Minister said.

Sen. Hurtado also indicated that the oil production is slightly above original estimates. He gave no details, however, of oil income as a result of the increase.

It was unclear whether the *price boost was included in the* Government's estimated $6.3bn. oil income for this year.

Although the average selling price of Venezuelan oil has increased, it still is below the level set by OPEC, which currently averages $11.51 a barrel.
Agencies

LIBYAN OIL PRICE

LIBYA is increasing the price of its light crude by 10-15 cents—and not by 10-15 per cent, as inadvertently printed *in* the later editions of the Financial Times yesterday. The planned price rise was announced in Kuwait on Tuesday by Mr. Izzedin al Mabrouk, Libyan Minister of Oil.

Libyans blamed for blast

A device exploded under a passenger train engine in North-western Egypt but caused no casualties and only minor damage to the tracks, Al Ahram newspaper said yesterday, reports UPI from Cairo.

The newspaper said that Libyan agents arrested on sabotage charges near Alexandria last week confessed that they had been instructed to blow up the railroad line between the *Mediterranean* port city and Saloum, on the western border.

Egyptian-Libyan relations have been strained almost to the break*ing point in recent months*. The two neighbours have quarrelled since summer, 1973, when Cairo turned down a bid by Libyan leader Col. Moammar Khadafy to unite the countries.

Philippines debt

The Philippines' total external debt rose to $US4.2bn. at the end of March, up 10 per cent. from the end of 1975, and the gap widened between the country's international reserves and compensatory foreign borrowing, according to figures released yes*terday by the Central Bank*, reports AP-DJ from Manila. The U.S. was the major foreign lender, with $1.723bn. 41 per cent. of the debt, followed by Japan with $714m. and Great Britain with $349m.

China railway

China has completed and opened to traffic a railway across the Greater Khingan mountain range, the biggest forest area in the country, which borders what was formerly known as Manchuria and Inner Mongolia, according to a broadcast monitored in Tokyo by AP-DJ. Peking's official news agency said, the railway "facilitates the felling of virgin forests in a planned way." The mountains *also abound in mineral deposits* which remained untapped in the past because of poor transportation facilities.

Growth in Japan

Bank of Japan Governor Teiichairo Morinaga told a news conference that he is confident that Japan's real economic growth in the 1976 fiscal year will reach the 5.6 per cent. projected by the Government last December, reports Reuter from Tokyo. Morinaga added that the Bank will carry out its monetary policy cautiously to keep prices stable.

ON OTHER PAGES

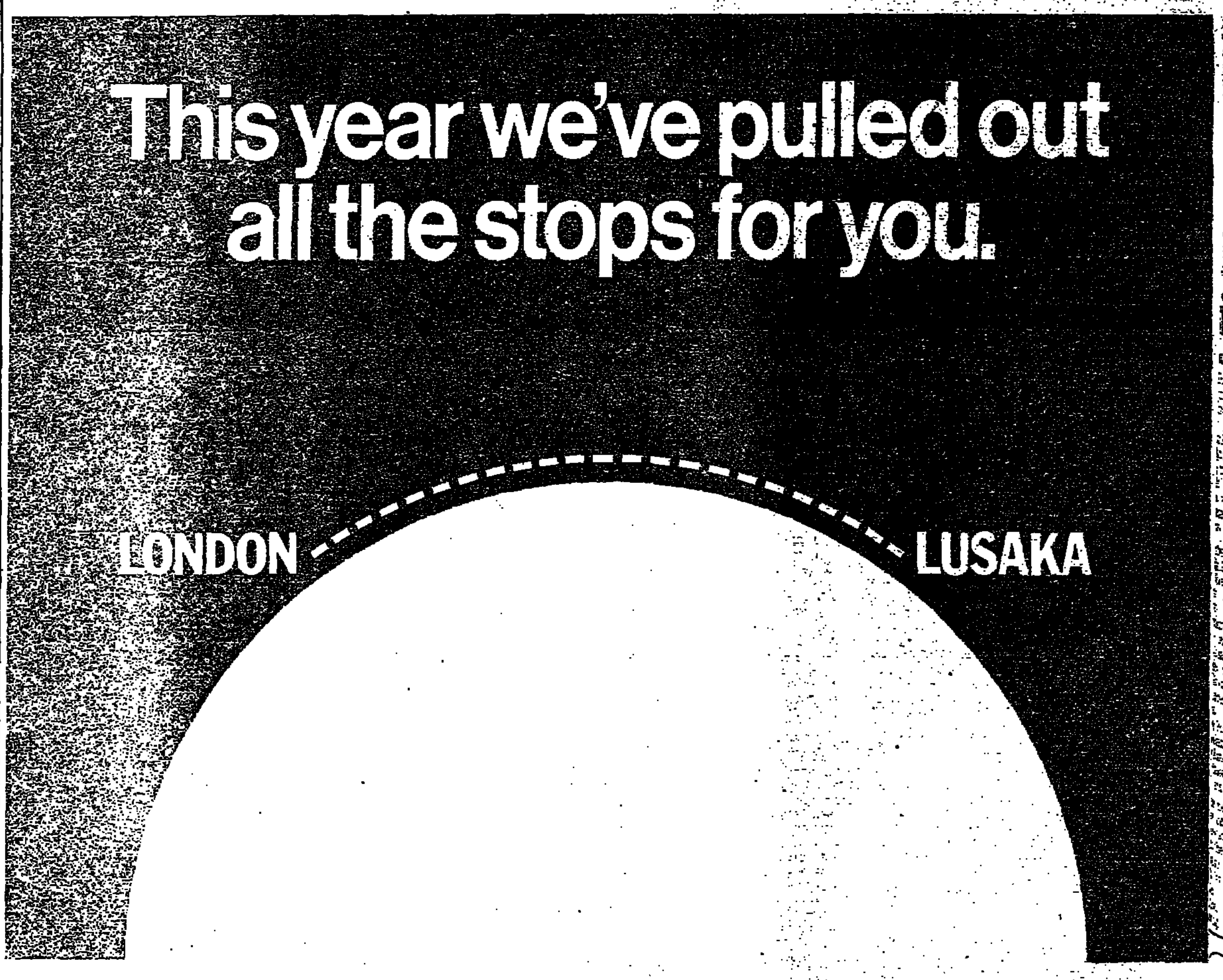
Peking may seek 'normal' links with Washington

BY COLINA MACDOUGALL

THE CHINESE Premier Hua Kuo-Feng indicated to a visiting Japanese, Mr. Aiichiro Fujiyama last Monday that he expected *devlopments leading to normal* Sino-U.S. relations after the American presidential election in November. This follows unofficial reports that the U.S. *Secretary of State Henry Kissin*ger may be visiting Peking within the next couple of months to discuss the question. The U.S. State Department is under*stood to be pressing for the* establishment of relations after the election, though the speed of negotiations will depend on who the new U.S. President will be.

In order to establish full diplomatic relations with Peking, the U.S. Government will be obliged to break off relations and to abrogate its defence treaty with Taiwan, since it will not be possible to have a treaty with what will only be a province of China. However, the hope now is that certain of the treaty's *provisions will be allowed to con*tinue unofficially, such as the continuing provision of spare parts and training for the military. The Chinese in Peking may *be expected to close their eyes to* this since if Taiwan feels itself too exposed it might call in the Soviet Union to its aid.

The American line on Taiwan in discussions with the Chinese hitherto have been to stress how "patient" Peking has been in waiting for the implementation of the joint communique issued at the end of former President Nixon's 1972 trip to China. In this communique the U.S. affirmed that Taiwan was part of China and that it would ultimately withdraw all U.S. forces and military installations.



EUROPEAN NEWS

Cortes approves parties reform

BY ROGER MATTHEWS MADRID, June 9.

THE SPANISH Government's political reform package took another step forward to-day when the Cortes (Parliament) approved a measure giving freedom for certain parties to organise legally for the first time since the end of the Civil War in 1939. Voting went much as expected with 338 in favour, 91 against and 24 abstentions. Over 100 Members of the Cortes did not bother to vote.

Although the Law can be described as a significant dent in the system left by General Franco, it is still much too early to say whether it heralds a Western-style democracy in Spain. The Government is left considerable room for interpretation and parties such as the Communists, Separatists and Anarchists will remain outside the law. Everything will depend on how the Government interprets the Law and how the parties themselves react to it.

The Cortes moved on this evening to debate the complementary changes to the Penal Code. It is expected that they also will be passed with little objection.

Senor Laureano Lopez Rodo, a former Franco Minister, said during this morning's debate on political parties that it was still difficult to know what were the Government's overall intentions. These would only be revealed when the new electoral law was published. He urged that it should be completed rapidly and warned against permitting a proliferation of parties.

In his opinion bad law could lead to despotism or anarchy, while good legislation would only permit a small number of political parties. Sr. Lopez Rodo, who has never previously seemed to favour any form of democracy, said that he feared that the deteriorating economic situation could yet pose a serious threat to political evolution.

Defending the Government's legislation, Sr. Adolfo Suarez, who is also Secretary-General of the hitherto monopoly political orgainsation the National Movement, said it was true that political parties brought back bad memories but argued that the traditional spectre of hunger roaming through Spanish cities no longer applied. The Spain of to-day was different in its structures, economy and population. Among the liberties that the Spanish people were asking for to-day the most important was that of free political association.

Thus despite the noisy scenes last night when over 30 Deputies left the debating chamber in protest at a Member who claimed that the present Cortes was unrepresentative, the assessment of the inability of the extreme Right wing to block the legislation has proved correct.

Cost cloud over Nato warning system

By Malcolm Rutherford

BRUSSELS, June 9.

NATO plans for a $2.5bn. early warning system may have to be dropped because the majority of member governments now believe the costs are too high.

The plans for an airborne warning and control system (AWACS) are the most ambitious ever formulated in the Alliance, as well as the most expensive. It emerged to-day, however, that Britain is the only remaining firm European supporter. Even the West Germans, who had backed the plans in the past, are now said to be wavering and are reluctant to make any financial commitment until after the general elections on October 3.

The U.S. is expected to use the *meeting* of Nato Defence Ministers, which opens here to-morrow, to urge the Europeans to reconsider their position. But the most that is *likely to come out of that is an* agreement to postpone a final decision until December or even next spring.

Such a delay would cause considerable embarrassment to Britain, which has continued to fund an alternative project—the Nimrod Mark 2—of its own, but would prefer to drop it in favour of a joint Nato *purchase of AWACS. The Nimrod* project is reaching the stage where large sums of money will be required, if it is to be continued.

The AWACS programme is based on fitting adfanced radar equipment and anti-jamming devices into and on top of Boeing 707 aircraft. Its chief merit is that it would enable *Nato to see well into the Soviet* Union and Eastern Europe and especially to detect low-flying machines.

The cost of each aircraft is put at $65m., though estimates for even more advanced versions have topped $100m.

The number of aircraft required to allow full coverage of the Nato front from the northern *to the southern* flank is 36. Thus even the $65m. version would cost the Alliance $2.34bn., that figure excluded ground equipment.

It had originally been hoped that almost all the members of the Alliance would contribute to the costs, even if they did not all acquire their own aircraft. The view now is that the project might just be saved if the West Germans agree to back it, but without German support there is no hope of a Nato solution.

Suggestions that the Germans are insisting on U.S. promises to buy German tanks as part of a package deal have not been officially confirmed, though obviously any U.S. move in this direction would ease the German financial positions.

If the AWACS plan does collapse, Britain will have to choose between buying a few of the U.S. machines for itself or going on with the Nimrod programme under Hawker Siddely Aviation. Nimrod is admitted even by the British to be inferior, but is better suited to maritime reconnaissance, which forms a large part of the British mission, than to reconnaissance over land.

Defence Ministers of the ten-nation Eurogroup meanwhile to-day held their traditional eve of Nato meeting, but it is notable that much of *their work on weapons pro*curement is already being transferred to the newly formed European Programme Group, which includes France.

Mr. Roy Mason, the British Defence Secretary, may have to miss the rest of the week's meetings because of the absence of pairing arrangements in the House of Commons.

Power for Hungarian unions

By Paul Lendvai

VIENNA, June 9.

THE HUNGARIAN Government has decided to increase the powers of the trade unions at enterprise level. According to a decree just published local union leadership and the shop stewards will have to be consulted not only with regard to collective *bargaining* agreements but also when fixing individual basic wages and granting extra leave, social or housing allowances.

To protect union representatives from retaliation by management they cannot be dismissed or transferred without the approval of the higher orders of the unions concerned. Henceforth, disciplinary proceedings against a union representative or shop steward are subject to approval by the higher union bodies. This protective clause remains in force for two years after the expiration of the term of the shop stewards.

The latest measures are politically interesting since, in Communist countries, unions act merely as so-called transmission belts for the ruling parties. In Hungary, however, the competitive forces unleased by the economic experiments and the conflicts between individual and group interests have comb'ned to give the unions a steadily growing role.

France to raise Fr.2.5bn. loan

BY RUPERT CORNWELL PARIS, June 9.

THE FRENCH Finance Ministry to-night announced a Fr.2.5bn. (£290m.) state loan to be floated on the domestic capital market on June 22, to help finance the massive Budget deficit incurred by last year's emergency public *spending* programmes to reflate the economy.

The primary purpose of the issue, which will run for 15 years, with an annual coupon of 10 per cent., is to consolidate part of the Government's new debt, which has hitherto largely been covered by the issue of short-term Treasury bills.

These have had the inevitable effect of swelling the money *supply dangerously at a moment* when inflationary pressures are once more discernible in many sectors of the economy. The recently adopted device of five-year bills with progressively rising interest rates has apparently been only a partial success.

Although the bond market here has been somewhat sluggish recently the news of the loan was greeted with somewhat approaching relief by bankers, insofar as the size is modest compared *with similar* borrowings in the past. That of January, 1973, for example raised over Fr.6bn. (£700m.).

In addition the latest bank lending and savings statistics show that liquidity is ample at the moment. The difference between the 10 per cent. coupon and the standard 10.2 per cent. going rate on publicly-guaranteed loans will be more than *made up for by certain tax* advantages to attract investors.

Although no other loans are planned between now and the end of this month, the scheduled timetable of issues should not be too upset.

Marchais criticises Communist summit

BY ROBERT MAUTHNER PARIS, June 9.

M. GEORGES MARCHAIS, the French Communist leader, said here to-day that there was no question of the European Communist parties approving a common strategy at their proposed conference, for which another preparatory meeting will be held in East Berlin to-morrow. Even the Soviet Union did not think this was possible.

Speaking after a lunch given by the Communist Party for foreign journalists, M. Marchais *made no secret of his scepticism* about the conference. After referring to the differences which existed betwen the various Communist parties, M. Marchais said that this type of conference was "out of date."

While is was normal for the various Communist parties to meet from time to time, a much more flexible formula would have to be found for their conferences. All that they could agree on at the moment was a number of general objectives.

M. Marchais, who once again emphasised the need to respect the independence and specific personality of each country's Communist party, added that the French party "categorically rejected" any universal model for Communism.

The French Communist leaders took a distinctly Gaullist line when asked about the party's attitude to the new direction taken by French defence policy, which has become much more Nato-orientated. This policy was a complete departure from Gen. de Gaulle's ideas on the subject which were based on France's complete independence in defence and the theory that Franc must be prepared for an attack from all directions which the Communists had always supported.

Indeed, one of the most striking features of M. Marchais's remarks was the care he took to point out how much common ground there was between the Communists and the Gaullists.

In an obvious attempt to win the support of former Communists and other left-wing Gaullists who had switched their allegiance to the Gaullist Party because they were seduced by the personality and policies of its founder, M. Marchais said that only the Community Party stood *for national independence and* grandeur.

The Communist leader's appeal could possibly fall on fertile ground given the disarray of the Government's coalition parties over the capital gains tax Bill and the Gaullist UDR party's hesitations, for electoral reasons, about making a final break with President Giscard d'Estaing.

● The Soviet Communist Party newspaper Pravda to-day attacked the shift in French defence policy, Reuter reports from Moscow.

The Pravda article, signed by I. Alexandrov, generally assumed to be the pseudonym of a senior Kremlin official, suggested that French defence strategy now violated European security conference pledges and Paris-Moscow agreements.

It was the first major Soviet reaction to the views of French Armed Forces chief of staff Gen Guy Mery, believed to be shared by senior members of the French Government.

General Mery said France needed a "wider zone of security" *in Europe and* that French troops should be ready to fight alongside their Nato allies in the first battle if war broke out with the Communist countries in West Germany.

W. German capital export growth seen

BY NICHOLAS COLCHESTER BONN, June 9.

THE PICTURE of West Germany becoming an American-style economy exporting capital rather than goods emerges strongly in a new study by the Dresdner *Bank* of long-term capital inflows and outflows over the last 25 years. The bank's latest economic quarterly shows up the capital deficit that has re-appeared in the German balance of payments over the last two years, and it predicts that long-term capital exports will continue at a high level.

The report breaks down the *contributions* to German capital inflows and outflows and shows that while the net flows generated by the German private sector have oscillated between plus and minus over the last 25 years, those generated by the public sector have consistently been directed abroad as Germany has made its contributions to international organisations and, more recently, loans to developing countries. This public outflow contributed DM36bn. of the net capital outflow of DM41bn. that Germany has generated since 1950.

In the private sector Germany experienced strong capital inflow from 1971 to 1973 chiefly because of portfolio investment related to currency speculation. Yet this situation was reversed in 1974 and 1975, partly because German *direct* investment abroad has grown rapidly and has out stripped industrial investment by foreign companies in West Germany. In 1975, for instance, Germany sent DM5.2bn. in long term funds abroad for direct investment purposes while foreigners moved only DM2.5bn. into West Germany.

The Dresdner Bank argues that this latter trend will continue. It feels that the climb in German exports has reached its limit now that German wages are among the highest in the world, and that there will thus be increasing emphasis on production overseas. It argues that Germany is also being encouraged to invest abroad out of fear for its raw material supplies. Finally it notes that Germany's direct exports of long term capital could climb as a result of an increasing tendency to sell German capital goods with long term German financing. It cites the contracts to supply Brazil with atomic power plants as an example of this.

Swiss loan of DM750m.

BY OUR OWN CORRESPONDENT BONN, June 9th.

THE WEST GERMAN Government to-day confirmed that it had, after consultation with the Bundesbank and the Swiss National Bank, arranged to borrow DM750m. from a consortium of the three big Swiss banks. The chief aim of the loan is to apply downward pressure to the Deutschemark value of the Swiss franc.

First details of the loan became known last night after the Swiss National Bank had announced a packet of measures designed to fend off the upward speculative pressure on the Swiss currency. The Swiss credit to Germany will have a maturity of 31 months and a fixed interest rate of 6.75 per cent. The Swiss National Bank has agreed to guarantee the exchange rate at which the Banks will get back their Swiss francs when the loan matures, and the Banks will pay the Central Bank 1.5 per cent. for this protection.

Last year, when the problem of financing the German Government deficit seemed more daunting than it does to-day, the Government made it clear that it might go abroad for credit to take the pressure off the German money market: indeed it did so to a marginal extent. Although to-day's news is a sign that this readiness still exists, it is clear that the Swiss borrowing has much more to do with currency speculation than with any attempt to improve the atmosphere in the German bond market.

As a result of the credit and of yesterday's battery of measures by the Swiss Central *Bank — including* a cut in the discount rate from 2.5 to 2 per cent.—the Swiss franc weakened somewhat in the exchange markets to-day. The Frankfurt close for Sw.Frs.100 was DM102.6 against DM103.4 the previous day.

THE ITALIAN ELECTORAL SYSTEM

Constitutional imbroglio

BY ANTHONY ROBINSON, ROME CORRESPONDENT

WHEN THE British electorate votes at general elections it stays up late or wakes up the next morning to learn who has won and who has lost, and it has a new Government within a week. The Italian system is completely different. It works on multi-member constituencies and a proportional representation system which encourages the proliferation of parties, and ensures that the Government is virtually obliged to be a coalition or, exceptionally, a minority Government enjoying support from other parties in Parliament. The one-party Christian Democrat minority Government of Sig Aldo Moro in office when the current elections campaign began was of this variety. Only once since the war, in April 1948, did one party, the Christian Democrats, achieve an overall majority of seats in the Lower House. Even then the prime minister Sig. Alcide de Gasperi decided to open the government to members of other parties and form a coalition Government.

This underlines the fact that the electorate does not vote for a Government. It votes for parties. The party leaders form the Government later on the basis of the relative balance of forces which emerge from the elections and on the basis of their political or ideological affinities. Once the elections are decently over the allocation of seats in the Lower House and Senate is decided, the President of the Republic, after hearing advice from his political advisers, chooses the man who he believes to be most likely to be able to form a cabinet and asks him to accept the mandate. The President makes his choice after consulting the views of ex-Presidents, party secretaries, leaders of the parliamentary groups, and other experts. Unfailingly since 1947 the man chosen to try to form the Government has been a Christian Democrat, because that has been the largest party for all this time. In the elections called for June 20 and 21 there is the faint, but not impossible, chance that the Communist Party could become the largest single party. The President would then have to decide whether to call on a Communist *to form a Government or* whether, in his view and after hearing his advisers, either a Christian Democrat or a leader of one of the other non-Communist parties, such as the Republicans, would still have a better chance of being able to form a cabinet. In either case President Giovanni Leone, a Christian Democrat, would face an unprecedentedly difficult and controversial choice which he would obviously much prefer not to have to make.

But it often happens that the man originally chosen to try to form a Government fails. The President then has to choose another Prime Minister Designate, and so on until somebody does manage to negotiate a new Government. This process can and frequently does last for weeks and months. Often indeed Governments which are formed after weeks of negotiations are formed as a purely temporary expedient to tide over the summer holiday period or some other special event. Post war history is studed with these so called "basking" Governments.

The most likely immediate outcome of the elections is a prolonged and difficult period of inter-party negotiations, particularly as the pre-electoral stance of the Socialist Party is to exclude the possibility of another Centre-Left type coalition of the type under which Italy has been governed with brief interludes, since 1963.

Theoretically the task of forming a cabinet might seem easier if the Left wing parties gained an overall majority of seats. But in practice the Communist Party has made it clear that before agreeing to form such a Government it would make all possible efforts to cobble up a much wider "Government of broad national unity," open to all parties from the Liberals to the Christian Democrats.

But even that does not exhaust all the possibilities as the multi-party system also provides the theoretical possibility to form a variety of other more or less temporary solutions. These include, for example, a Christian Democrat-Socialist coalition and a variety of other minority coalitions whose stability would depend on some kind of relationship with and support from the Communists and other parties.

The uncertainties inherent in the system are even greater because of the increased mobility of the Italian electorate, as expressed in the regional elections last year, and on other occasions such as the referendum upholding the institution of divorce. That being the case it is worth while examining the electoral mechanism which leads to these complications.

When the electorate votes on June 20 and 21, it will vote both for the Chamber of Deputies and the Senate (as well as for City Councils in Rome, Genoa, Foggia, Bari and the Sicily region, which are not discussed in this article). The electorate has a choice of seven parties already in Parliament plus two new would-be entrants. The existing parties are the Christian Democrat (CD), Communists (PCI), Socialists (PSI), Neofascist Movimento Sociale Destra Nazionale (MSI-DN), Social Democrats (PSDI), Liberals (PLI), Republicans (PRI), and the newcomers the Radical Party (PR) and the extreme left-wing grouping Democrazia Proletaria (DP).

In the election to the Chamber of Deputies these parties will contest the votes of 40.8m. Italians over 18 years of age who will vote to elect 630 deputies in 31 multi-member constituencies, plus one single member constituency in the Val d'Aosta. Seats within each electoral college are calculated on the basis of the national census and periodically revised. The 1972 elections took place on the basis of the 1961 census. The forthcoming elections, however, will be based on the 1971 census which means more seats for the big cities and urban areas at the expense of the rural areas and the South. This is expected marginally to assist the Left Wing.

Traditionally a high proportion of Italians vote. Over 93 per cent. did so in the last general elections in 1972. Each elector receives a ballot paper for each party, and is entitled to put a cross against the symbol of the party of his choice. He is also free to show his preference for up to four candidates by writing their names or identifying number in a space provided. The total of votes in each constituency are then divided by the number of candidates plus two to arrive at the electoral "quotient." The distribution of seats among the parties is calculated on the basis of how many "quotients" each party obtains. The remainders are then syphoned off and pooled into one big national constituency. At this stage the 10 per cent. or so of seats which have not been allocated in the constituencies on the original quotient basis are then divided into the aggregate number of remainder votes to arrive at a new quotient for the national constituency. The remaining seats are then distributed between the parties according to the number of quotients each party obtains.

The principal economic advisors of the major Italian political parties believe that it will be virtually impossible to abolish the 50 per cent. import deposit scheme on August 5 when its original three month term expires. This view emerged at a Press conference in Rome to-day at which Christian Democrats Nino Andreatta and Vittorino Colombo, Socialist Michele Gianotta, Republican Giorgio La Malfa Communist Luciano Barca and Communist Independent Luigi Spaventa presented their respective economic forecasts and policies.

It was suggested that abolition of the scheme would probably lead to a rapid deterioration of both the lira and the balance of payments situation. Much will depend on the degree of confidence following the June 20 elections but in any case, from an economic point of view, the best solution would be a form of staggered removal of the import deposit scheme to be negotiated with the EEC and other trading partners.

In order to limit the proliferation of parties the electoral rules state that to gain representation a part yhas to obtain at *least one full quotient in one* constituency and at least 300,000 votes nationally. At the last general election in 1972 the Proletarian Unity Party (PSIUP) gained 650,000 votes nationally but failed to reach the electoral quotient in any constituency. It therefore elected no deputies, while two other left wing groups, Manifesto with 220,000 *votes, and the Workers' Political* Movement with 120,000 votes, were below the national limit, meaning that a total of nearly 1m. left wing votes were wasted.

That might happen again, though both the Radical Party and the extreme left wing coalition of Democrazia Proletaria, believe that they will manage to obtain a quotient somewhere this time.

As we have seen each elector also has the right to express four personal preferences. Only about 20 per cent. of the electorate bother to do so, although it is common in the South and particularly in the Christian Democratic Socialist, and Social Democratic parties. The Communist party does not like surprises and party discipline ensures that *preferences* follow party instructions.

Up to now many abuses have been connected with the personal preference system, with eager candidates spending considerable sums to get on to their *respective* party lists, and then to ensure the preference votes to get in. Italian politics is full of more or less apocryphal stories of shoes for the right foot being distributed before the elections and those for the left foot afterwards, or of politicians promising grants, credits, pensions, and other favours to local machine bosses who can deliver the preference votes of entire families and groups.

It is also at the level of the preference vote that the real power of the Catholic Church to influence Christian Democrat voters through the advice of the parish priest is most evident. It is a very unfortunate Christian Democrat who falls foul of the local vicar.

For the Senate the voting age limit is 25 years. This means that only 34.9m. (as against 40.8m.) voters are eligible to elect 315 Senators in 238 Electoral constituencies. The Senate also includes five life Senators and two ex-Preidents. Its seats are distributed on the basis of a highly complicated proportional representation system.

The difference of voting ages between Senate and Chamber of Deputies is significant. The lower voting age is considered to be one of the principal reasons behind the Left wing advance at the regional elections in June last year when over 60 per cent. of the young are believed to have voted Left. This raises the possibility that the Senate will be more Conservative than the House of Deputies in the new Parliament, and this might be sufficient to give the Upper House a significant delaying *power over legislation and in the* 14 Parliamentary committees which prepare and draft legislation.

Even in the old Parliament the Senate was marginally more to the Right than the lower house. But the forthcoming elections could widen this difference to such an extent as to give the Senate the possibility of denying *a vote of confidence to a Government* commanding majority in the Lower House. Under the parliamentary rules both legislation and votes of confidence have to be approved by both houses. Differing majorities could cause a constitutional deadlock.

Not surprisingly the Communist Party is in favour of a *series of constitutional changes*, among which reform of the Senate has a high priority.

Way clear for compromise on Sullom Voe oil storage

BY RAY DAFTER, ENERGY CORRESPONDENT

THE WAY appears to have been cleared for a compromise deal in the dispute which has threatened the £400m. Sullom Voe oil terminal in the Shetland Islands.

The Sullom Voe Association, comprising representatives of the oil industry and Shetland Islands Council, meets to-day to consider the latest suggestion aimed at breaking the deadlock over oil-storage facilities.

Oil companies could save over £30m. if the deal is accepted. The compromise involves storage being provided in surface tanks, *rather than in caverns as the council had originally demanded.*

In return, the oil companies are likely to concede a "significant shift" in their attitude towards treatment facilities.

It is likely that British Petroleum, as operator for the Ninian pipeline, and Shell, operator for the Brent pipeline, will accept the principle of a single treatment plant, handling oil from both pipelines. At *present, the companies plan for* the oil to be treated in two separate terminals.

Hopes of a compromise rose yesterday after a meeting of the Council. It supported the concept of the scheme by 13 votes to three.

The Council and the oil industry have been deadlocked over the storage issue for many months and the dispute looked like threatening the future of *the terminal which will be the* biggest of its kind in Europe, costing between £400m. and £500m.

Oil companies claimed that underground storage was too costly and that he geological structure of the island might not be suitable for retaining bulk quantities of crude.

Mr. Ian Clark the council's chief executive refuted a suggestion that the compromise was a result of Government influence. "There has been no pressure from Government sources. They have not issued any *instructions or veiled* threats."

As reported in the Financial Times on May 26, if no agreement had been reached within a couple of months the Govern*ment would have been forced to* intervene. Up to now, however, the Department of Energy has kept out of the dispute.

The terminal will play a major strategic role in future energy supplies for Britain. By 1980 it is envisaged that the two pipelines will be handling about 40m. tons of oil a year — equivalent *to about half Britain's present* consumption.

● A Shell executive said yester*day that there was a need for* the offshore industry to search for "another operational mode" to exploit deep gas deposits.

Mr. Eddy Goldman, head of field engineering, drilling, production and transport with Shell *International Petroleum* (Netherlands), said in London that producing gas from fields in waters more than 1,000 metres deep presented new problems.

While present exploitation was conducted in the relatively shallow waters of the Continental shelves, the similarity with land-based operations remained, in that equipment, plant and well heads were based on platforms which formed, in effect, "a piece *of dry land.*"

Speaking at the World Gas Conference, Mr. Goldman said that as exploration spread into deeper waters, platforms ceased to be practical.

Two major choices were available: complete underwater production systems or using a floating base to carry the *majority of process equipment.*

● Overcapacity in the British industry that builds offshore modules—the prefabricated units incorporating production or accommodation facilities for offshore oil platforms—will last five to ten years, according to Gordon Young, manager of Redpath Dorman Long (Teesside).

As in the rig construction industry there had been early overestimation of the likely North Sea market and this had led to a massive increase in the scale of demand for module construction.

There are ten yards in Britain at present able to build more than 400 units a year—equal to the expected total world demand.

Lloyds to raise tariffs soon

BY MICHAEL BLANDEN

HIGHER CHARGES *for customers of Lloyds Bank are likely to be announced soon, following the increased tariffs already published by Barclays and National Westminster.*

Lloyds put its proposals to the Price Commission last month. They include rises in the rates applying both to personal and to corporate customers.

No further details of the bank's plans have been released, but, judging by the pattern adopted by its competitors, they could include changes in the minimum balance required for personal customers to be allowed free banking and higher charges for individual transactions.

At present, personal customers of Lloyds have to keep an average balance of at least £100 in their accounts to qualify for free banking. For customers who do not meet this requirement, the bank has a sliding scale of charges.

This is among the most complex at present in the clearing banks, and it is thought Lloyds could take the opportunity to simplify its tariff.

The increases will follow shortly, when the 28-day period during which the Price Commission can raise objections to proposed rises ends.

So far, Barclays Bank has announced a doubling of the qualification for free banking to a minimum balance of £100 or an average of £200, as well as lifting the charge for customers who do not meet this limit to 10p a time for withdrawals.

NatWest has also raised the charge for withdrawals to 10p a time, but has kept its qualification for free banking at a minimum balance of £50. Midland has also put its proposals to the Commission, but has given no details.

State borrowing requirement down £160m. on last year

BY ANTHONY HARRIS

THE Central Government borrowing requirement for the first two months of the present financial year was £1.03bn., £160m. less than the same period in 1975, but the Consolidated Fund deficit, a more reliable indicator of revenue and expenditure trends, rose by £78m. to £653m.

The figures are regarded in the City as being in line with the projections made at the time of the Budget. In May there was some reduction in both measures of the deficit.

The rise in Supply Service expenditure—the current spending voted by Parliament—was 14 per cent. higher than in 1975, compared with a Budget forecast of an 8½ per cent. rise for the year as a whole, but this was expected, since some economy measures taken are not expected to emerge at this stage.

Consolidation Fund revenue as a whole, at £5,139m. for the two months, was 13 per cent. higher than last year—the same percentage increase as that for expenditure and deficit. *It was* the National Loans fund transactions, which are erratic from month to month, which produced the smaller total borrowing requirement.

There was a sharp fall in lending to nationalised industries and local and harbour authorities, but the cost of interest on the National debt rose by £127m. in the two months, again in line with the Budget projection of an increase in the cost of debt service from £3.56bn. to £4.9bn. for the financial year.

Staveley to receive £749,000 in grants

By Kenneth Gooding, Industrial Correspondent

STAVELEY INDUSTRIES is to receive grants totalling up to £794,000 from the Department of Industry under the machine tool industry aid scheme.

This means Staveley will be getting around £1m. of the Government money currently offered to industry, because it previously arranged a grant of up to £316,000 under the Department's foundry assistance scheme.

As Dr. Adolf Frankel, managing director of Staveley pointed out last night, this indicates that the group will be investing about £15m. from its own resources in *these two areas over the next* three years.

He said that the group's four machine tool businesses—Asquith, Drummond, Kearns Richards and Lapointe—were working flat out, having "gorged *themselves with orders before the* shutters came down."

He expected that the machine tool operations would be able to continue at this tempo through the upturn in demand with only the minimum of building of stock.

Profits from the machine tool operations would rise significantly this year and next, added Dr. Frankel. This has enabled Staveley to commit considerable resources of its own to invest*ment and development within* its U.K. machine tools division. "The assistance from the Department of Industry will enable the company to expand and accelerate this programme."

The grants, over a three-year period, *will take the form* of investment grants of 20 per cent. towards the cost of modernising equipment and the provision of improved plant and machinery and interest relief grants towards the cost of design, development and prototype building of new machine tools.

The previously-arranged foun*dry assistance money is being* used to accelerate the development and investment programme in Staveley's foundries and abrasives group.

Brentford Nylons cuts feared

By Terry Wilkinson

THERE is a strong possibility of production cuts and redundancies at Brentford Nylon's *main factory at Cramlington* New Town, Northumberland, adding to the pressure for a quick decision on the company's future.

In the hands of receivers for 15 weeks, the private textiles concern has been the subject of possible takeover discussions with Lonrho, the international trading company.

The workers themselves have made an £11m bid for the major part of Brentford Nylons, excluding the company head offices in West London. They have approached the Department of Industry for some £8m. and the remainder is intended to come from as yet undisclosed City banking sources. The Government may first prefer to see the possibility of a wholly private-sector solution explored.

A fortnight ago Mr. John Naylor, one of the joint receivers, told employees at Cramlington of a prospective bid from Lonrho. It excluded a small factory at Greenock, but Mr. Naylor said he hoped to persuade the group to include this in its offer. Lonrho, which is also thought to have approached the Department of Industry for a loan, has yet to make a formal offer, and is still assessing *the whole situation*, according to a spokesman.

The main Brentford factory at Cramlington, which employs 1,400 people, has been overproducing in relation to sales in the past few weeks. The strain that this imposes on the company's financial resources is bound to cause concern to the joint Receivers. If cuts are made, this will lessen the chances of the assets of Brentford Nylons being passed on intact to a prospective buyer.

Castle leads Labour attack on Ennals

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. DAVID ENNALS, Secretary for Social Services, was strongly criticised yesterday at a special meeting of the Parliamentary Labour Party over the Govern*ment's decision not to implement* its child benefit scheme in full.

MPs from all wings of the party rounded on him. His predecessor at the Department of Health and Social Security, Mrs. Barbara Castle, accused him of "double talk of the worst kind."

The Government's original intention was to introduce a new method of family support to replace both child tax allowances and family allowance. The benefit would be paid direct to the mother and, unlike the present system of family allowance, it would include the first child.

The scheme had a particular attraction for the Labour Party as it transferred money "from the wallet to the handbag" and ensured a better deal for the poorest families who do not benefit from tax allowances.

The Government announced before the Whitsun recess that the proposed £4 pay limit would make it difficult to persuade wage-earners to forgo child tax allowances, which would appear to wipe out any increase they might receive under the next pay policy.

'Fig leaf'

It proposed instead a partial implementation of the child benefit scheme from April 1, 1977, whereby £1 would be payable to the mother for the first child and *the present family* allowance rate of £1.50 for any other children.

Mr. Ennals told MPs yesterday: "The general secretary of the TUC has made it clear that these substantial reductions in take-home pay had to be weighed by the Government against the very limited scope there would be for increases in gross pay in the coming period."

A child benefit of £4 a week *would cost the Treasury £1bn.* a year and could not be contemplated in present economic circumstances. The modified scheme would cost £95m., he added.

Mrs. Helene Hayman, MP for Welwyn and Hatfield, said taxation would reduce the value of the £1 payment to 35p. It was *just a "fig leaf" to cover up* the Government's embarrassment. The decision was that of "a male dominated Cabinet."

Mrs. Castle rejected Mr. Ennals' assertion that she would have done the same had she remained in office. She feared that the scheme had not been postponed but had sunk without trace. *"It was a change of prin*ciple and not tactics. She urged the Cabinet to think again, or else it would have a fight on its hands with the Labour movement.

Mrs. Hayman's motion regretting the Government's decision has been signed by 108 Labour MPs. Twenty Conservatives have *tabled a similar motion.*

But the Government should find a majority in the Commons for its affirmative resolution implementing the modified scheme, which will be put before the House later this month. There will be loud protests on all sides but few MPs are likely to jeopardise an additional welfare *payment however small.*

Labour MPs put their faith on the TUC making the full implementation of the scheme a pre-condition for the next phase of the social contract at the TUC-Labour Party liaison committee meeting later this month.

Capital Annuities pay-out

By Eric Short

MOST policyholders in Capital Annuities, the life company which applied for liquidation at the end of April, will receive interim payments in respect of contractual obligations under *their policies at a rate of* 70 per cent. of amounts due.

Details of this interim scheme were given in a letter sent yesterday to policyholders by Coopers and Lybrand, the special managers.

The scheme, which will be administered by the Policyholders Protection Board, will *make payment in respect of* periodic annuities, sums due on maturity or vesting of annuities and payments on the death of an annuitant.

Capital Annuities has about 3,500 policyholders, most of whom are annuitants and will benefit from the scheme. The letter shows that no surrender *payments will be made, except* where policyholders have already opted to receive 4 per cent. of the purchase price of High Income Surrender policies.

Coopers and Lybrand hopes to start the scheme as soon as possible, but is still engaged in discussions with the Inland Revenue over the deduction of tax.

News agency's high speed plan

THE PRESS Association, Britain's major domestic news *agency, is to introduce a high*-speed transmission system as part of its long-range technical plans.

Mr. David Cole, 48, was elected its chairman yesterday, in succession to Mr. H. R. Dickinson.

Cigarette advertising attacked

By Donald Maclean

THE SPIRIT of the Code of Advertising Practice is being breached by cigarette advertisements, the Consumers' Associa*tion says in the June issue of its* magazine Which?

According to a report in the magazine, "if the intention of the code is to prevent cigarette smoking from being associated with a desirable life-style, then there is a hole as big as a house in it."

The report reproduces adver*tisements which, it says, associate* smoking with a "luxurious way of life": with an activity such as being out on the beach in the fresh air, "which many people would regard as being healthy"; uses words like "fresh" which "is certainly a word, like clean or pure," which, according to the code, should not be used in relation to cigarette advertisements.

Vauxhall to reduce its dealer network

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

VAUXHALL'S DECISION to trim back its sales outlets by almost 100 will open up new opportunities for foreign car manufacturers seeking to establish dealer networks in the U.K.

The Vauxhall plan, which should be completed by the *beginning of next year, will bring* its network down from 812 to 720 outlets.

It comes hard on the heels of a reduction in the Chrysler sales organisation and is expected to be followed by a gradual reorganisation of British Leyland dealer franchises.

Over the last decade British *manufacturers are reckoned to* have reduced the number of dealers in their franchises by about 50 per cent. This reflects both the rising stake of imported vehicles in the U.K.—which was a highly insular market until the *mid-1960s—and attempts by Ford* and, later, British Leyland to concentrate sales on larger dealers.

It has been argued that the best way to increase efficiency and service is by creating larger organisations and this is one of the main ideas behind the new Vauxhall reorganisation. Most of the dealers leaving the franchise *will be small concerns.*

There is no doubt that similar reorganisations in the past have given importers the foothold in *Britain they needed.* Some importing organisations are still looking for suitable outlets to *expand and consolidate their* dealer chains.

At the same time, though, importers' prospects have taken a blow from the rapid devaluation of the pound. Overseas manufacturers have continued to increase their share of the market but profit margins are being trimmed to such an extent that *further expansion will not be* easy.

Vauxhall, which shares 38 of its outlets with Opel, the German arm of General Motors, is aiming to increase throughput per dealer substantially over the *next 18 months.*

So far this year the company's U.K. sales have gone up by a little over 31 per cent., and it is aiming to sell about 120,000 cars this year against 87,570 in 1975.

Next year it plans another substantial expansion to between 140,000 and 150,000 units.

P.O. is saved by its monopoly—councils

BY OUR INDUSTRIAL STAFF

THE POST Office would be well on the way to pricing itself out of the market but for its monopoly, according to the Associa*tion of Metropolitan Authorities.*

Many local authorities were making increasing use of their *own messenger services*, the association says in evidence to the Post Office Review Committee.

Potentially, most serious is the criticism which the association makes of Giro services. Local *authority business has been par*ticularly important in the development of Giro and more than 120 housing authorities offer their tenants this method of rent payment.

Rent payments through Giro *are running at more than £220m.* a year.

The association, which sought the views of 77 metropolitan authorities, reports "a fairly general dissatisfaction with Giro."

"Authorities are particularly concerned about constraints which apparently are imposed on, for example, Giro payments of local authority rents which, it is alleged, lead to an inefficient and ineffective means of payment."

The association also deplores the cut in main post office hours and the closure of sub-offices.

● The magazine *Money Which?*, published to-day says that a telephone call often will be cheaper than second class mail.

In a report on money-saving tips on post and telephones, the magazine points out that on a *local call dialled from a home* phone during the cheap period, one can talk for more than a *quarter of an hour* and still pay less than the 6½p a second-class letter would cost.

Dialled trunk calls also can be cheaper than a letter, provided one keeps them short. Trunk calls through the operator are always more expensive than the post.

The article says it is cheaper to use a callbox than an own phone *except during the cheap* rate period for local calls and STD trunk calls of more than 35 miles.

Ferranti and Plessey talks confirmed

By Christopher Lorenz, Electronics Correspondent

PLESSEY YESTERDAY confirmed that it is "in discussion" with Ferranti, and that the National *Enterprise Board* was "interested" in the discussions as a major Ferranti shareholder.

Plessey's spokesman was commenting on the disclosure in yesterday's Financial Times that the two companies are discussing possible merger of their microelectronics interests, with the NEB as a potential third partner.

Ferranti confirmed that inter-company and international discussions were going on, but made *no reference to the specific* Plessey talks.

As reported yesterday, both companies — and GEC — have taken part in exploratory talks with other leading European microelectronics manufacturers, though in this case the co-operation envisaged does not extend to mergers.

The sum considered necessary for investment in the proposed Plessey-Ferranti joint venture is about £20m. This clearly indicates that the intention would be to provide the basis for extra growth, rather than to "rationalise" *in the sense of cutting back* either of the companies' activities.

The plan is therefore a complete contrast with the now discarded idea of merging Ferranti transformer operations with *those of GEC, in order to reduce* the capacity of the U.K. transformer industry and put it back on a profitable footing.

MOVES TO ALTER SYSTEM OF ENERGY PAYMENTS

Flat rate call for gas and power

BY RAY DAFTER, ENERGY CORRESPONDENT

A FLAT-RATE tariff for gas and electricity users is being urged by the National Consumer Council in a paper for the National Energy Conference in London on June 22.

Mr. Michael Young, chairman of the Council, maintains that a flat rate system, opposed by the *electricity and gas industries*, would be fairer than the existing rate structures.

All consumers large or small, would pay the same average price per unit, which would particularly benefit the great majority of low-income consumers. Flat rate tariffs would not depart so far from costs as to distort industry decision-making and forecasting.

The recommendation is in one of 20 papers by various organisations. *They will be discussed at* the one-day conference, at which Mr. James Callaghan, the Prime Minister, and Mr. Anthony Wedgwood Benn, Energy Secretary, will make policy statements.

The Council states that the *existing tariff structure is* promotional in that larger users buy supplies at a lower average price than small users. A flat-rate system would encourage conservation.

Age Concern, Help the Aged and the Child Poverty Action Group, in a joint statement, regret that there appears to be no official backing for reform of either the "inequitable standing charges" or the tariff structure. The trio calls for the *widest possible choice of pay*ment methods and major reform of the powers of the gas and electricity Boards on deposits *and disconnections.* At the same time it wants to see an extension of national insurance provisions.

The Friends of the Earth and the Conservation Society, in a joint presentation, urge the Government to press for construction of a series of small coal-fired prototype "total energy" stations, demonstrating various modes of fluidisation. They prefer this form of pro*gress to the proposed two proto*type nuclear stations, costing an estimated £1.5bn.

It was time to make an explicit redistribution of money and other resources to create a fairer balance among all energy forms. *There seemed no prima facie* reason why civil nuclear energy should be singled out for special public funds, "while all other *forms of energy, research and* development have to divide up the left-overs."

The Nuclear Power Company urges the Government to maintain a domestic nuclear industry "of competence and acknowledged international standing." In this way the nation could proceed with a limited programme of thermal reactors and provide the capability to progress further with fast-breeder reactors.

"It is sufficient to accept that for the U.K. there is a need for the next decade to preserve an option to adopt the fast-breeder reactor. Such an option requires that the U.K. should have the competence and access to infor*mation . . . For this purpose, par*ticipation by the U.K. nuclear industry in the international development will be essential."

Backing for CEGB loss claim on smelter

By Roy Hodson

THE ELECTRICITY Council yesterday supported the Central Electricity Generating Board's claim for compensation on the losses it sustains in supplying power to the aluminium smelter at Holyhead, Anglesey.

The CEGB has incurred losses of more than £40m. on the deal, and believes it is being discriminated against, as the Govern*ment is compensating the North* of Scotland Hydro-Electric Board for a similar contract to supply the Invergordon smelter. The Scottish Board's losses are thought to have been no less than those incurred by the CEGB.

The council intends to raise the matter informally with the Government. It will point out that the ultimate sufferers will be electricity users in England and Wales who will have to meet the losses on their bills, while North of Scotland users will escape a similar burden.

Challenging

Apart from challenging the Government on the decision to treat the Scottish and Welsh cases differently, the Electricity Council will seek to extract an acknowledgment that the Government itself bears at least part of the responsibility for the losses.

When the smelters were established in 1968 with Government aid, the electricity undertakings were asked to provide the large quantities of power *needed* at favourable rates. "We were under considerable pressure from the Government to enter into the contracts at that time," it was stated within the industry.

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Electricity Council lists ground rules

BY ROY HODSON

FLEXIBILITY in Long Term Energy Policy—the paper which the Electricity Council is putting to the National Energy Conference on June 22 at the request of Mr. Anthony Wedgwood Benn, Energy Minister—is a remarkable document.

This is both because of its brevity—only seven pages—and the fact that it does not attempt to make any estimates of Britain's *future* energy demands up to the year 2000.

The council has concluded that such estimates would be meaningless because of uncertainties in the pattern of future economic *growth, the relative costs* and availability of fuels, and other factors such as environmental pressures which might limit the growth of nuclear power.

Instead, the Electricity Council is seeking a productive debate to establish a common philosophy for all the British energy industries.

The heart of the report is a list of five ground-rules which the Electricity Council says should be adopted by government to enable the energy industries to plan coherently on a long-term basis.

The proposed ground-rules include:

1—*Standards for preserving* safety and the environment;

2—The rates of return required by society from the resources it devotes to energy production, distribution, and utilisation;

3—Principles for pricing and methods of payment for energy consumed;

4—*A degree of freedom of* choice of fuel by users—although the Electricity Council acknowledges such freedom would have to be limited from time to time according to national circumstances;

5—National policies on such maters as defence and its influence on energy policy, con*servation, ownership of property*, and other outside factors that can affect the energy industries.

The Electricity Council submits that if such ground-rules were to be adopted by each energy industry and accepted by other interested parties, then not only would the Government's task of co-ordination be eased but a basis *for monitoring the general pro*gress of all Britain's energy industries would emerge.

The ground-rules would form a framework necessary for the proper division between the Government and the energy industries, in the view of the Electricity Council.

The rules would also help in *decentralising decision-taking*, and would thus help the general development of industrial democracy by assisting the devolution of decisions to the regions.

Finally, the ground rules would allow society to understand and approve the framework for long-term energy plan*ning as the only sound basis* after taking account of all interests.

There is a need for agreement among the Energy Conference participants, in the Electricity Council's view, that once the Government has set the rules, they will be adopted generally as a settled basis for British *energy development in the long-term.*

That would be the most bene*ficial result possible from the* conference, the Electricity Council believes.

Medium-term considerations might, in the Electricity Council's view, require high rates of depletion of British fossil fuel *reserves—primarily to improve* the balance of payments.

Nevertheless, the Government should *seek to reduce its direct* intervention in energy decision-making.

A set of Government-inspired economic and social ground-rules such as the council proposed would be a framework for *flexible planning.*

New A-power stations could be built underground

BY DAVID FISHLOCK, SCIENCE EDITOR

THE U.K. Atomic Energy Authority is investigating the possibility of siting new U.K. *nuclear power stations under*ground, with the aim of identifying possible sites—including coastal caverns—and of estimating construction times and costs.

This is disclosed in a report, published to-day, of evidence *submitted by the authority to the* Royal Commission on Environmental Pollution.

The royal commission, under the chairmanship of Sir Brian Flowers, asked in 1974 for answers to several questions *relating to its study of radio*logical safety.

Underground siting of nuclear plant has been proposed as a way of overcoming several environmental problems, such as the risk of damage and injury in the event of a major accident, and the visual impact of such *plants and their transmission* lines.

For the utility, the authority's evidence says, the advantage of "undergrounding" is the potentially greater freedom it permits for siting stations.

The drawbacks would include a "substantial addition to costs" and the inconvenience of working underground sites, while it would also be more difficult to modify or extend such plants once installed.

But the main difficulty would probably be removal of waste heat—for which reason coastal caverns had been suggested, although these might prove unacceptable environmentally.

Discussing the consequences of a major accident at a nuclear station—such as an aircraft might cause by crashing—the report says general agreement exists that releases of radioactive iodine would pose the greatest threat to public health, particularly for children.

Britain's plutonium stockpile arising from reactor operations is expected to grow from tonnes in 1975—of which tonnes were held as stocks and the rest in reactors or spent fuel ponds—to 28 tonnes in 19 and 250 tonnes by the year 20

Evidence submitted 1974-75 to the Royal Commission on Environmental Pollution, U.K. *Atomic Energy Authority, Charles II Street, London, S.W.*

Business 'in flight from London'

BY OUR INDUSTRIAL STAFF

THE LONDON Chamber of Commerce was yesterday urged to adopt a more forceful role and act as a pressure group for business in the South-East by Mr. Michael Hughes, its retiring *chairman.*

In his annual review, Mr. Hughes underlines the financial strength of the chamber, which last year achieved an operating surplus of £169,000 despite spending more than £520,000 on redeveloping its Cannon Street headquarters.

From this base, the chamber could *expand* as a representative body for London and South-East business and develop as an international trade body, he says.

*The Chamber would have to de*vote more resources to research and policy-making activities though, to become a more effective pressure group.

Mr. Hughes, referring to the movement *of companies* out of the capital, maintains that "the cost of operating in London coupled with the barrage of administrative controls, has transformed what had been, in more prosperous times, an acceptable regional policy into a veritable *flight from London.*"

The new chairman of the Chamber is Sir Peter Tennant, former director-general of the British National Export Council and a deputy director-general of the Confederation of British Industry.

PARLIAMENT

Minister renews takeover tax pledge

By Justin Long Parliamentary Correspondent

THE GOVERNMENT cleared up yesterday the mystery of the missing concession—promised but so far not produced—for the relaxation of the capital gains treatment on compensation stock following nationalisation of shipbuilding and aircraft companies.

Mr. Joel Barnett, Treasury Chief Secretary, firmly renewed his undertaking to provide a relief, apologising for its non-appearance so far.

And he further promised that it would apply to any future nationalisation when Tory MPs took the Commons Standing Committee on the Finance Bill into an all-night sitting to get the Government to clarify its intentions.

With the Aircraft and Shipbuilding Industries Bill now at a halt and its future uncertain, the Opposition condemned the proposals as "phoney and fraudulent," the description applied by Mr. Nigel Lawson (C., Blaby) who raised the debate on the Government's plans.

But Mr. Barnett, rebutting these criticisms, and talking in terms of the Bill's continued passage, pointed out the capital gains tax situation where gilt-edged compensation stock was sold.

"I recognise, however, that there could be circumstances where the holders of the stock, the parents or consortium companies, might want to invest the proceeds of the gilt-edged securities in some other industrial investment. I wouldn't wish to discourage that, nor would the Government," said the Chief Secretary.

Consideration had been promised for a roll-over relief if the profits were invested in qualifying assets.

Such a relief was unusual. It would require more than an amendment. A new clause to the Bill would be needed. And the new clause to meet the commitment for a relief would be brought forward "as soon as we are ready to put that clause down at the appropriate stage in the proceedings.

"But until we know the circumstances of the Bill, I don't know precisely when I will be putting down the clause," Mr. Barnett added.

Debate on the Bill was adjourned until this afternoon when the Opposition will renew its attack on the so-called "snooper's charter" clause.

New sizes for wine carafes

CARAFES OF wine when consumed on the premises will have to be sold in prescribed quantities, according to a draft Order laid before Parliament by Mr. John Fraser, Minister of State for Prices and Consumer Protection.

In a reply to Miss Jo Richardson (Lab., Barking) he said the carafes would be sold only in quantities of 25 centilitres, 50 cl., 75 cl. and 1 litre; or 10 fluid ounces and 20 fluid ounces. The containers will also have to display the quantity contained.

Censure motion defeated

Tory leader sees drift to Iron Curtain state

THE TORIES, with MPs summoned from all over the world, last night lost their most determined attempt to defeat the Government by a majority of 19.

Mrs. Margaret Thatcher, Leader of the Opposition, who accused the Government of "drift, debt and decay," had moved a censure motion that "this House has no confidence in Her Majesty's Government." It was defeated by 309 votes to 290.

She said the debate was not just about statistics. It was about freedom. "We have seen this Government retreat from freedom, retreat from the rule of law, retreat from Parliamentary democracy and retreat from a mixed and free-enterprise economy and retreat from living within the nation's means.

Mrs. Thatcher said the nine weeks since the Budget had been a "near disaster" and the Government had borrowed time with the £3bn. international standby credit at a cost of postponing taking decisions.

The massive loan was "not a sign of confidence but a sign of patience."

Mrs. Thatcher said that the Government paid lip service to the mixed economy while nationalising out of dogma and trying to create a complete Socialist state.

The Aircraft and Shipbuilding Industries Bill was a total irrelevance to the needs of our society. The pharmaceutical industry, the banks, land and insurance companies were all under the threat of nationalisation—a recipe for the complete Iron Curtain state.

Looking straight at the Treasury bench, Mrs. Thatcher said that the red badge of Socialist courage was for the country the red badge of bankruptcy.

Mrs. Thatcher also accused the Government of devaluing Parliamentary institutions and being willing to abandon the rules of the House when it suited them.

She attacked the Government's pay policy agreement with the TUC. It was quite wrong that legislation should be introduced because it was part of an agreement between the Government and the TUC.

"We have the trappings of Parliamentary democracy but are in danger of losing the substance."

Mrs. Thatcher warned the Liberals: "If you wish to abstain rather than risk a general election in which you may do badly, any claim the Liberal Party has to be a party of principle is destroyed for ever more.

She called on the Prime Minister to quit and to offer the resignation of his entire Government. "It is time to end this policy of 'steady as she sinks.'"

Mr. James Callaghan, Prime Minister, said the immediate objective was to overcome inflation. As a result of the Government's policy and the TUC agreement on wage restraint, it had been reduced.

He accepted that the present 18.9 per cent. inflation rate was too high "but it will decline throughout the rest of the year."

"It is our intention that by the end of 1977, if we continue with the policies with the TUC on pay which they are presenting to their conference next week, and if the Government continue with their policies of fiscal and monetary control, we can bring down the rate of inflation comparable with our major competitors by the end of 1977."

This was the Government's "overriding objective." Their second objective was to make inroads on the unacceptable level of unemployment and "to reduce it by 1979 to 3 per cent."

Next came the need for an export-led growth "which is already happening" to ensure that this went with domestic expansion "now on the point of beginning." This would mean having no excessive public expenditure demands next year.

Mr. Callaghan said the social contract had been subject to many sneers, yet it enshrined the Government's policy of co-operation as opposed to confrontation.

Last year, fewer days had been lost due to strikes than in any year since 1968, and the first four months of this year showed a further halving of days lost compared to the similar period of 1975.

The social contract was an innovation in political life, but it had achieved remarkable success, and the Government intended, in due course, to reinforce it.

Mr. Callaghan said the TUC would approve measures that would halve the rate of inflation by the end of next year, even at the cost of hardship to many union members and increased grievances.

"That is their contribution. In return they ask that unemployment should be cut and such matters as housing, education and welfare should not be subject to mad panic cuts." He challenged the Opposition to say whether they would accept such an agreement with the unions if they were in office.

The stand-by credit announced the previous day was not a solution to the country's economic problems, but taken in conjunction with the Government's measures, it would be a "powerful reinforcement," he said.

MR. JAMES CALLAGHAN
Challenged Tories on attitude to unions.

MRS. MARGARET THATCHER
Called on the Government to resign.

PM frowns on party games

BY PHILIP RAWSTORNE

CHIDING Mrs. Margaret Thatcher like some indulgent uncle grown weary of party games, Mr. James Callaghan reduced the Tory censure to little more than an embarrassing display of pique.

Why had she dragged her friends back from furthest China? What had all the "clamour and clangour" been supposed to achieve? the Prime Minister asked. To satisfy "an impatient and imperious vanity?"

Surely not to force a general election, he quizzed, almost choking at the thought. The Tory leader looked so concerned at his cough that Mr. Callaghan was reluctant to chastise her behaviour. "But I must, because I've got it written down."

Did the Conservatives really want to throw away the co-operation with the unions that the Government had achieved? Really want to damage the improved relations within industry?

What kind of game were they playing around their "gaping policy void"? An "Excuse me" quickstep in which Mrs. Thatcher floated between Sir Keith Joseph and Sir Geoffrey Howe as a bewildered Mr. William Whitelaw tried to butt in?

Mr. Callaghan sat down to prolonged cheers from his backbenchers who, with the vote assured in their favour, by the Liberals, had never been less than mildly amused by Mrs. Thatcher's attack.

The "no confidence" motion had not been put down lightly, Mrs. Thatcher warned heavily. But she found it impossible to sustain any pressure, skipping through some colourful phrases without touching any sensitive spots.

Mrs. Thatcher went back as far as Clay Cross to begin her indictment of the Government's performance — devaluation of liberties, Parliament and the currency, she charged ever more limpingly.

Valiantly, if to little avail, Sir Geoffrey Howe pressed on from there. He showed rather more caution and less colour —being rewarded by Mr. Denis Healey with the nickname of "soggy Geoff."

The Chancellor, castigating the Tories for helping to sap the confidence in sterling, ended by humorously deflating their pretensions.

Mr. Nicholas Fairbairn, Conservative MP for Kinross, appeared on cue in kilt and sporran. "I suggest you join the other comics on the Opposition front bench," Mr. Healey invited him.

Shepherd rejects 'hasty' changes

BY JOHN HUNT

A CONFIDENT prediction that the Government will introduce new cuts in public expenditure within months of the TUC accepting the $4\frac{1}{2}$ per cent. wages policy was made in the Lords yesterday by Lord Thorneycroft, chairman of the Conservative Party.

Earlier in a debate on the economy, Lord Cromer, a former Governor of the Bank of England, made a strong attack on the high level of public sector borrowing requirement.

Another speaker, Lord Aldington, the Tory peer and a former chairman of the Conservative Party, who initiated the debate, also urged that cuts in public expenditure were urgently necessary.

But Lord Shepherd, Leader of the House, rejected demands for what he called "hasty, ill-considered changes" in policy on Government expenditure. He promised, however, that the Government would see that the planned total of public expenditure was not exceeded.

Lord Thorneycroft told the House that the Government was right to obtain $5bn. in credit to support sterling but pointed out this was only buying time. More urgent action was required and the TUC and the nation was entitled to know more about the prospectus being put forward by the Government.

"I will guarantee that the Government are going to change their policies," he forecast. "Quite obviously the Government are going to cut expenditure before many months are out."

He thought it would be better to tell the TUC about this before its conference on the new wage deal on June 16. If the TUC made its decision on assumptions which were later proved false, then it would not be to the advantage of the Government or the nation.

Dramatic action was needed now, he argued. He saw no need for swingeing cuts in public expenditure but the Government could state an objective of making the proliferating social services more cost effective.

"We are spending too much and we are borrowing too much," he said. "We must stop planning to spend money on the scale we are now doing—money that we have not got.

"We can't go on borrowing £1 for every £5. You can't do it. It has got to be brought nearer to reality. I think before long the Government will have to cut the money it is actually spending."

Speaking from the cross-benches, Lord Cromer agreed that the £ was oversold and undervalued. But he attacked the increase in public expenditure as "breathtaking" and said that it imposed an excessive burden in taxation, inflation and borrowing.

It was this vast borrowing and the high rate of interest that resulted which was inhibiting industrial investment. This colossal borrowing requirement was the touchstone of confidence at home and abroad.

"Inflation will continue to stalk the land and to haunt the supermarket until we get these matters under control." There is no disguising the consequences of continuing debasement of our currency. We have just got to live within our means," he warned.

Lord Shepherd told peers that the Government recognised the importance of not pre-empting for additional public expenditure resources which were needed for the growth of manufacturing industry. Public expenditure was now expected to fall back to about 55 per cent. of GNP by 1979-80. Hasty cuts in public expenditure would have serious consequences for employment and would affect the poorest people.

Electoral reform 'could check abrupt reversals of policy'

BY PETER HENNESSY, LOBBY CORRESPONDENT

A SYSTEM of proportional representation which would greatly increase the chance of coalition government in Britain was recommended unanimously yesterday to replace the present "first-past-the-post" system.

The proposal — by an independent commission on electoral reform sponsored by the Hansard Society — was immediately welcomed by the Liberal Party. But Lord Blake, chairman of the commission, admitted that it was unlikely to find favour with the Labour and Conservative Parties which had a vested interest in present arrangements.

The report claims the risks inherent in coalition government were outweighed by removing the disadvantages of "flagrant minority government" from which the country was suffering. But it warned that electoral reform was not a panacea for the nation's ills.

"Alternating single party governments had, during the last few years, produced a series of abrupt and unsettling reversals of policy. An electoral system which makes this less likely might well be advantageous," the report states.

Ten of the commission's 11 members, made up of Parliamentarians, academics and prominent public figures, recommended an additional member system (AMS). Lady Seear favoured the single transferable vote.

The form of AMS recommended is derived from the West German experience, but is significantly different from it. The House of Commons of 640 members would have three-quarters of its MPs (480) elected by first-past-the-post in single member constituencies as at present. This would leave some bias towards the two major parties.

The remaining 160 seats would be allocated to the parties with the intention of redressing the distortions produced in directly elected constituencies. Unlike the German system, candidates for these additional seats would not come from a party list but would be drawn from individuals who stood unsuccessfully for directly elected seats.

They would be allocated to those unsuccessful candidates who won the highest proportion of votes in their constituencies.

Re-allocation would be done on a regional basis in fairness to territorially-based parties like the Nationalists or the Social Democratic, the Labour Party in Ulster. But a minority party would need to win 5 per cent. of the votes in a particular area before it could qualify for extra seats.

The Commission believed this would have the advantages of producing some Conservative MPs in Labour-dominated industrial areas, and a smattering of Labour MPs in Tory rural strongholds.

A second and scarcely less significant element in their proposals involved the selection of candidates. Local party members should have the legal right to take part in the election of their candidates through a secret ballot financed by public funds.

The commission also recommended that the present under-representation of Northern Ireland, and the over-representation of Scotland and Wales in the Westminster Parliament should be ended. Proportional representation is also urged for the devolved assemblies in Edinburgh and Cardiff and for the European Parliament.

Lord Blake said yesterday: "We want to give the voter greater power. We are not running down party organisation — you can't run a democratic system without them — but a change in the system should not enhance the power they already have."

Three of the last 13 General Elections had been won by the party which failed to win the largest block of votes.

● Mr. Norman Lamont, Conservative MP for Kingston on Thames, said the report was "nothing more than a put-up job." Not a single opponent of electoral reform had been included in the commission.

Mr. Lamont declared: "The arguments for our present electoral system are given only very skimpy consideration. But even this biased document has to admit that the consequences of changing the electoral system are impossible to forecast."

Procedure ruling by Speaker

By Justin Long, Parliamentary Correspondent

COMPLAINTS against the Aircraft and Shipbuilding Industries Bill would only be able to petition against the nationalisation proposals at the bar of the House of Commons if the House itself voted in favour of such a course.

The Speaker, Mr. George Thomas, giving his ruling on the issue raised earlier this week by Mr. Robin Maxwell-Hyslop, said that if the House made no Order for petitions against the Bill to be treated in the exceptional way the Tory MP had suggested, they would "continue to lie upon the table in the same way as other petitions."

So Ministers could breathe again, because the ruling meant that the safety catch was still on the procedural bomb which could have blown the Government's legislative programme into humiliating confusion.

Giving his verdict, the Speaker said that the 19th century procedure Mr. Maxwell-Hyslop had argued should be adopted over the controversial nationalisation Bill was not appropriate.

The existing rights to petition the House remained unaffected by his ruling, the Speaker indicated.

LABOUR NEWS

Willis to make key pay congress speech

BY ROY ROGERS, LABOUR CORRESPONDENT

THE indisposition of Mr. Len Murray, TUC general secretary, means that his assistant Mr. Norman Willis will emerge from relative obscurity to give the key address at the special TUC congress on pay policy next week.

Yesterday's meeting of the TUC economic committee decided to follow the precedent set in the '60s when a then little-known Mr. Vic—now Lord—Feather stepped out of the shadows when Mr. George Woodcock, like Mr. Murray, suffered a heart attack.

But Mr. Willis's task next week is hardly likely to be a baptism of fire as the $4\frac{1}{2}$ per cent. Government-TUC pay pact is assured such overwhelming support that, in the main, he will be preaching to the converted.

This landslide support for the £2.50 to £4 a week policy was underlined yesterday when two union conferences pledged a further 1.4m. votes taking the total committed in favour to about 8.5m. of the 10.5m. total.

With the Association of Scientific, Technical and Managerial Staffs the only major union set to oppose the policy next week, it appears that fewer than 500,000 votes will be cast against.

Almost unanimous support for the policy came from delegates of Britain's third largest union, the 880,000-strong Municipal and General Workers, meeting at Bournemouth.

Only about four delegates voted against a special executive motion committing the union to supporting the pay strategy, after a strong appeal from Mr. David Bassnett, general secretary.

Mr. Bassnett, one of the six TUC representatives who negotiated the new agreement with the Government, made it clear in his speech that although plans must be made for a return to free collective bargaining this cannot come overnight when phase two of the policy expires next year. He said that anyone who believed there could be an immediate return to free bargaining without "dire consequences" ignored the obvious.

General and Municipal Workers' support for the policy was accompanied by demands for further Government action to reduce unemployment.

Hefty support for the policy also came from delegates to the National and Local Government Officers' Association conference in Eastbourne. They voted by 380,417 to 144,361 to commit the union's 540,000 to the policy.

In return for support, however, NALGO wants the new social contract to give greater emphasis to economic policies designed to reduce unemployment and prevent further redundancies, especially among local government staff. In particular, NALGO wants the Government to impose selective import restrictions and control on the outflow of capital needed for investment in manufacturing industries.

Mr. Geoffrey Drain, Nalgo general secretary, told delegates that the Government deserved trade union support for fighting inflation and keeping to its part of the social contract. But he faced strong criticism from delegates over the TUC's failure to secure substantial restoration of public expenditure cuts.

A motion calling for a re-appraisal of current TUC economic policy was narrowly passed — against the advice of the union's national executive — because delegates felt the TUC should "more vigorously oppose" cuts. Despite heckling, Mr. Drain explained that, largely as the result of NALGO pressure, the TUC had negotiated a £50m. reduction in cuts as part of pay policy.

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Mr. Willis: relative obscurity.

Smoke and save jobs, says union

By Our Labour Staff

SMOKING is "real solace for mankind" a leader of the Tobacco Workers Union said yesterday. It also supported many thousands of jobs.

Mr. Archie Betts, president of the union, attacked the anti-smoking pressure group ASH which he said wanted eventually to stop people smoking altogether.

Speaking to the union's conference in Margate, Kent, he added: "When the Government gives these people money does it realise it is supporting people who want to destroy a whole industry—who want to do away with many thousands of jobs?

"If 20m. people smoke cigarettes, they do so because they want to." He said the way to deal with the health hazard argument was not to try and forbid smoking but to make cigarettes safer.

He accused the Health Education Council of scare-mongering in its advertising. The risks were generally exaggerated and the opposition overlooked the fact that "smoking affords very real benefits and solace for mankind," Mr. Betts said.

Senior doctors accepted

THE SENIOR DOCTORS' breakaway group, the Hospital Consultants' and Specialists' Association, has received its certificate as an independent union alongside the Junior Hospital Doctors' Association and the body from which both these unions sprang, the British Medical Association.

The non-TUC United Kingdom Association of Professional Engineers has also been granted a certificate, in spite of opposition from the Association of Scientific, Technical and Managerial Staffs.

No application for certification has been turned down so far. A variety of in-company staff associations, some of which could fail to meet the certification officer's criteria, are among the 77 applications still being considered.

Leyland Cars begins bargaining reform

BY OUR LABOUR CORRESPONDENT

LEYLAND CARS management, national union officials and shop stewards yesterday began the lengthy process of rationalising the collective bargaining system which at present embraces some 117 separate bargaining units.

At a meeting in Longbridge, Birmingham, a joint committee was set up to consider ways of bringing all manual workers within British Leyland's cars division onto common dates for negotiating pay—at present different groups negotiate at different times throughout the year and common fringe benefits like lay-off and sick pay.

In line with the recommendations of the Ryder Report, Leyland management hopes to be able to negotiate overall pay increases and levels of overtime shift and holiday pay centrally, leaving the application of the increases and local issues such as manning levels to plant-level negotiations.

Although the existing rigid pay policy, and the new one due to begin in August, would appear to make it difficult if not impossible for Leyland to introduce any such rationalisation moves, Leyland hopes to have proopsals ready to implement as soon as Government pay policy permits.

Management has been encouraged by the unions' response to their propsoals which were described in a joint statement as being a "useful step in improving the future prospects of Leyland Cars and its hourly-paid employees."

Press on with ships Bill, urges Jones

BY CHRISTIAN TYLER, LABOUR STAFF

HARLAND and Wolff, the Belfast shipyard, should be included in the Bill to nationalise the shipbuilding and aircraft industries, Mr. Jack Jones, general secretary of the Transport and General Workers' Union, said yesterday.

Mr. Jones also urged the Government to press ahead with the Bill after a meeting of his union's executive council expressed strong concern at the successful procedural move by the Opposition to delay it.

His call for Harland and Wolff to be brought into the main scheme came a day after it emerged that at least three senior members of the British Shipbuilders organising committee have threatened to resign if the Government bows to pressure from Ulster Unionist MPs for its inclusion.

They fear the Government may accept the Ulster MPs' amendment to the Bill in order to win their votes for the whole measure. They argue that Harland and Wolff, already State-owned, is, however, a special case and that its inclusion could weaken British Shipbuilders' scope for action at other yards.

Meanwhile, a union committee representing 15,000 Swan Hunter staff and manual workers yesterday wrote to Mr. Michael Foot, Leader of the House, asking for the Bill to be carried through as quickly as possible.

It was vital for the industry and for shop-floor morale, and the Opposition obviously had no idea of the serious consequences to the industry of further hold-ups," a spokesman said.

● A 7,200-ton Greek freighter, Dimitris A, has been blacked by the International Transport Workers Federation for alleged non-payment of wages totalling $32,642 to 14 crew members.

The ship, being repaired at Jarrow, was seized a fortnight ago under a High Court writ for "back calls" on insurance premiums, but released last week.

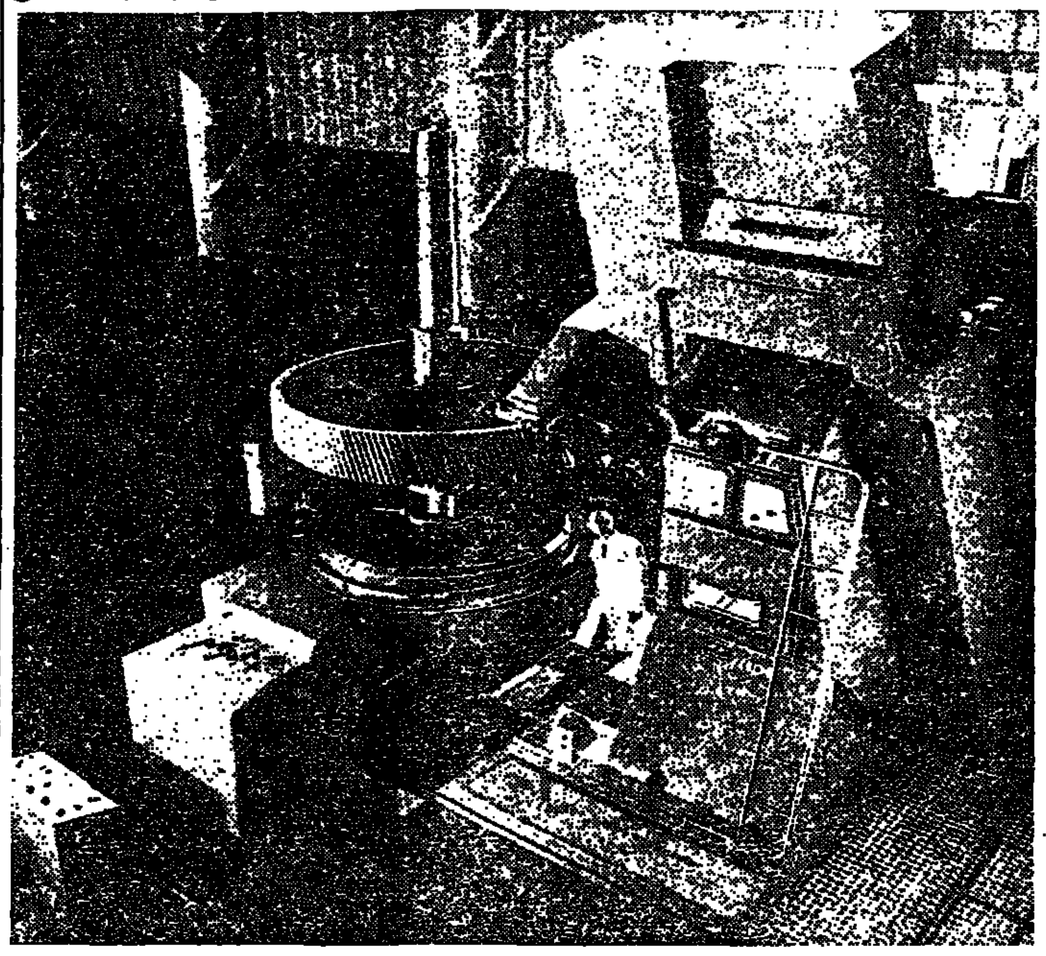
The wages dispute began a month ago when the ship, then called the Bertie Michaels and flying the Liberian flag, was at Sunderland. Ten Pakistani crewmen were taken off by immigration officials and are still in jail. Union officials are negotiating for their release and repatriation.

مكتبة الأصل

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METALWORKING



Huge gear-grinding machine.

LARGEST OF its kind in the world, this Maag HSS 460S precision heavy duty gear grinding machine, costing about £650,000, has been installed at Davy-Loewy's Dartnall Works, Sheffield.

Only two similar machines exist, one in Japan and the other at Maag Gear Wheel Co., in Switzerland, maker of the machine, which was supplied by Staveley Machine Tools.

The installation enables Davy-Loewy (a Davy International company) to design to advanced concepts in gearing for heavy duty, coarse pitch applications.

Recent developments in the rolling mill field have shown that to transmit the very high loads associated with modern technology, gearboxes using older manufacturing techniques became very large, heavy and difficult to handle. The best known method of reducing size is by using hardened gears which are capable of transmitting heavier loads related to their size. The hardening process causes distortion in the gear teeth necessitating a further finishing process to provide the high accuracy required.

For this purpose, the Maag machine is capable of grinding large diameter gears up to 4·6 metres (180 inches) with face widths up to 1,100 mm (43 inches), pitches up to 40 module (depending on helix angle) and weights up to 50 tonnes.

Work for the machine is clamped on an indexing table, axis vertical, and rotated. Two grinding heads are mounted on a common crossbar and these move, together with the machine column, at a tangent to the work. This allows a left-hand and right-hand tooth flank to be machined simultaneously—grinding accuracy is stated to be within BS 436 (1970) Grade 4. After each pair of tooth flanks have been machined, the machine column and grinder heads are returned to the start position at high speed, and the work is indexed by one tooth.

The machine incorporates what is stated to be a unique ram stroke control system. This automatically adjusts the cut during grinding, because in the spiral form of helical gears the grinding wheels are not in contact over the whole tooth width at the start and end of each stroke.

● DATA PROCESSING

Models by a program

IN COLLABORATION with G. Perry and Sons of Leicester, Mr. T. H. Gossling of the Wolfson Cambridge Industrial Unit has produced tapes using the DUCT program to cut the core model for the volume of a small pump. Duct is a Wolfson program and a local NC tool was used.

This program was used to interpret an existing drawing, and resulted in a core model which was in some respects different from one produced by a pattern-maker in the traditional manner. The pattern-maker and Wolfson agreed that both interpretations of the drawing were correct, thus *demonstrating the difficulty* of defining three-dimensional objects uniquely on a drawing board with straight edge and compasses.

The experiment showed that the object could have been uniquely defined much more quickly had it been possible to start from the same basic data *as the draftsman.*

Wolfson Cambridge, 20, Trumpington Street, Cambridge CB2 1QA. 0223 64568.

Control of avionics stocks

SPL INTERNATIONAL has been given the job of a mini-computer based turnkey contract for the Ministry of Defence at No. 30 Maintenance Unit RAF, Sealand.

The contract is for the design and supply of a mini-computer system to undertake the stock control and work-in-progress monitoring of the repair and replacement of avionic equipment.

To be delivered in 12 months from award of the contract, the system will operate on an on-line real-time basis and will be developed by SPL International in its London premises using RTL/2—the high-level real-time language developed by ICI and marketed exclusively by SPL.

SPL at 12-14 Windmill Street, London W1P 1HF. 01-636 7833.

● INSTRUMENTS

Counts the microwave pulses

FULLY automatic frequency measurement of pulsed microwave signals is provided by the model 451 counter introduced into the U.K. by Dana Electronics, Collingdon Street, Luton, Beds. (0582 24236).

Range covered is from 0.3 to 18 GHz with pulse widths as narrow as 100 nanoseconds and there is no requirement for external gating or manual tuning.

An alternative to previously used pulse measurement techniques such as the cavity wavemeter and transfer oscillator, the 451 eliminates the need for auxiliary equipment and highly skilled operators. The measurement is accomplished by merely connecting the input and reading the frequency on a direct reading seven digit LED display. Continuous wave and also frequency modulated c.w. can be dealt with, and no manual switching is needed to distinguish between c.w. or pulsed inputs.

Applications will be found in all types of ground and airborne *radar, beacons and radio altimeters.* Price is just under £5,000.

● CALCULATORS

Statistics permanently programmed

TO BE put on the market in August by CBM Commodore Business Machines is a calculator aimed at the professional *statistician and others who have* to make statistical calculations.

The company states that this is the first model in a new "third generation" of specialist calculators in which the appropriate specific functions, many at an advanced level, are pre-programmed to give complete user convenience. A second machine designed to deal with navigational problems is to be announced shortly.

The statistical machine can deal with mean, standard deviation, correlation coefficients, chi-squared, hypergeometric, binomial, Poisson, Gaussian and "t" distributions. It has eight individually addressable memories. All the customary maths functions are also available. The 14 digit display consists of a ten digit mantissa, two digit exponent and sign for each. Dimensions of the machine are 150 x 100 x 30 mm and the price is £99.95. Industrial Estate, Eaglescliffe, Stockton-on-Tees, Cleveland TS16 0PN (0642 780014).

● COMMUNICATION

Keeps ships in constant contact

THE FIRST British commercial shipborne satellite communication terminal has made its debut at Communications 76 in Brighton. Designed and built by Marconi Communication Systems for installation in merchant ships, the Arion terminal will work into the U.S. Marisat satellite communication system.

It is also to be adaptable to meet the specifications for the Marots system when these are finalised by European users.

The terminal provides high quality full duplex telephony and telex. It is also capable of carrying facsimile and data up to 4,800 bits per second two-way. Continuous 24-hour-per-day unattended watch is maintained on the satellite calling frequency, and the terminal, when the ship is individually addressed, automatically responds and receives telex messages. It similarly responds and sounds an alerting signal on board when the ship is addressed with telephone traffic.

In the reverse direction, calling from the ship is by a simple operation identifying the satellite shore station required and type of traffic

The overall satellite system provides also for distress alerting, for search and rescue control, and for broadcast multi-destination messages to, for example, a selected fleet or a selected ocean area.

Operation is effectively unattended, after providing connection to international telephone and telex networks comparable to that which would be provided by cables.

Further from Marconi on Chelmsford 53221.

Simplifies presentation

BOTH THE picture and sound are contained in a single cassette system developed by the Fairchild Camera and Instrument Corp., in collaboration with Gordon Audio Visual, 28 Market Place, Oxford Circus, London W1N 8PH (01-580 9694), a Gresham Group company.

Known as the Synchromatic 110 System, it uses an inexpensive (£2.40) cassette called the Synchro-Pak, which contains Eastman Kodak 110 format single-perforation-per-frame filmstrip in the upper area, and a standard C60 audio tape cassette in the lower part. This provides a "closed system" eliminating film handling or threading and maintaining perfect synchronisation at all times, says the company.

Synchronisation between sound and picture is achieved by using an eight-bit binary optical code printed between the picture frames, which when compared with a coded signal on the sound tape provides synchronised filmstrip advance and reverse.

A feature of the system is its ability to stimulate animation by a rapid frame advance rate of up to three frames/second. The Synchro-Pak can carry from ten to 200 frames, and any required frame can be immediately located (tape search is ten times play speed).

Two projectors are available for the system, the 210 portable and the 410 console. Weighing only 12 lb., the portable costs £275, and the console £290. Both have a back projection daylight viewing screen, or can be used for front projection on to a large screen. Both also have an automatic stop—this means the strip can be programmed to stop at any point, then has to be re-started manually.

● COMPONENTS

Full circle rotary actuator

DESIGNED FOR pneumatic or hydraulic power and capable of working on pressures ranging from 50 to 5,000 psi, a range of rotary actuators has been developed by Ferenco, PO Box 24, Glencarn Road, Perth, PH2 0NN, (0738 28121).

Main feature of the actuators is that they can be rotated a full 360 degrees, compared with the usual 270 degrees. They need no *pressure protection and the* torque output is related to the line pressure—torque values are stated to be far in excess of vane type actuators of similar size.

Designers working with low pressure systems can exploit the high torque characteristics of the actuator by incorporating a pressure intensifier with an output volume *equal to that of the* actuator. A typical actuator measuring about 3 inches diameter and 6 inches long would produce about 500 lb in torque at about 3,000 psi.

Three new heavy duty gearboxes

LATEST ADDITION to the products of the transmission division of Newage Engineers, Barlow Road, Coventry, are three constant mesh, heavy duty gearboxes for off-the-road construction site vehicles.

For use in dumper trucks, cross-country fork lifts, tar sprayers, grit spreaders, asphalt pavers, winches, drill rigs and similar applications, the three units are the 30TR (4 forward, 1 reverse); 29TR (3 forward, 3 reverse); and the 40TR (3 forward, 1 reverse).

Used with a transfer box and/or reduction box, there is a wide choice of ratios, stated to be suitable for the majority of construction vehicles with engines up to 30 bhp. With maximum input *torque of 70 lb.ft., and maximum* input speed of 3,000 rpm, the units can be used with engines such as the Lister ST3 or Petter PJ2.

Long life for LEDS

TWO NEW series of LED dot matrix numeric/hexadecimal displays are hermetically sealed for high reliability. Both series provide a 7.4 mm (0.29 inch) character height and contain on-board integrated circuit decoder/drivers. Added to the Hewlett-Packard 5082-7300 series, these displays use a ceramic package with a glass window.

Three models are intended for the industrial user who requires the degree of reliability offered by ceramic packages, but not the full capabilities of devices designed for military or space applications.

Three models are for requirements of military, satellite and spacecraft applications, and for industrial users demanding the ultimate in reliability.

Hewlett-Packard at King Street Lane, Winnersh, Wokingham, Berks. Wokingham 784774.

FINANCIAL TIMES SURVEY

Thursday June 10 1976

FINLAND

Since acting as host to the European Security Conference last year, attention in Finland has shifted away from foreign policy towards domestic affairs. The coalition Government is trying to deal with strikes, inflation and rising unemployment, and its survival is in doubt.

Trouble on the home front

By William Dullforce
Nordic Correspondent

OVER THE past ten months the Finns' usual preoccupation with foreign policy has been completely overshadowed by the turmoil in their domestic politics and economy. Relations *with the Soviet Union, the king*pin round which Finnish policy has revolved since World War II, have been smooth and free from alarms. By contrast a *series of strikes, involving the* police, seamen, harbour workers and food industry workers, earlier this year highlighted the internal political tension. This tension stems in large measure from the inability of the broad coalition Government, press-ganged into service by President Urho Kekkonen, to deal with a rather precarious economic situation. His persistence in keeping the present cabinet in office may even be eroding Mr. Kekkonen's hitherto unassailable position as Finland's "permanent" President.

Finnish foreign policy which has been run almost exclusively by Mr. Kekkonen for the past 20 years, experienced a unique moment of fulfilment when the final declaration of the European Security and Co-operation Conference (CESC) was signed in Helsinki last July. The Finns' satisfaction derived only partly from the prestige of having an act of such potential significance performed in their capital by the leaders of 35 nations, including the U.S. and the Soviet Union. Much more important for them was that the steps towards détente in Europe embedded in the declaration confirmed and strengthened *Finland's* independence.

Significantly, much less has been written and said in Western media since the conference about Russian influence over Finland. The word "Finlandisation" has fallen into disuse at least temporarily. Within the context of the European *Security Conference* Finland belongs to the "neutral" bloc together with Sweden, Austria and Switzerland, and the Finns have taken the lead *in keeping co-operation among* the four alive. At a meeting in Helsinki in April officials from the four countries agreed to joint tactics during the preparatory phase of the follow-up CESC conference to be held in Belgrade next year.

Playing an active role in collaboration with the other neutral countries within the European Security Conference and also in efforts inside the United Nations to define and bring into existence so-called nuclear-free zones has helped the Finns to free themselves of the Soviet-client role imputed to them not infrequently in the west, to their great irritation. Detente has for the time being had the effect of moving the area of current security tension in northern Europe further to the north, away from Finland to north Norwegian waters. The result is a palpable relaxation among Finnish diplomats.

The reality of the relationship with the Soviet Union has not changed, however. The defence and security clauses in the co-operation and friendship treaty between the two countries remain, which is why independent Finland has as big a vested interest in European detente as any other country. The trade links with the Soviet Union remain essential to the economy.

Finland imports the bulk of its oil supplies from the Soviet Union. The deficit on the Soviet trade which developed after the Russians had increased prices *in the wake of the 1973 oil crisis* has now been eliminated. The oil price increase did have the effect, though, of returning the Soviet Union to the position of *Finland's chief trading partner* —before Britain and West Germany—while the recession in Europe has re-emphasised the importance of the Soviet market for some key Finnish exports, particularly ships and engineering products.

Problem

The main current problem in relations with Moscow in fact concerns economic co-operation. When President Kekkonen pays his annual visit to Moscow later this month, his main priority will be to persuade the Russians to go ahead with the Kostamus iron ore project, involving the construction of mining, processing and communication systems and of a township, for which Finnish construction companies badly want the contracts. The ore will be exported in pellet form to the Finnish steelworks at Rautaruukki.

Cost inflation in Finland has been so steep over the last two years, however, that the prices offered by the Finnish companies are well above the Russian estimates. It is, therefore, far from certain that the Russians will want to go ahead with *what may* well be a *marginal* project for them in their overall economic planning.

The Kostamus project involves hard-headed economics *rather* than foreign policy. Whatever the effect on Finnish employment of the abandonment of the project, it would not detract from the real and *acknowledged success of* President Kekkonen in preserving Finnish interests over the past 20 years through his consistent policy towards the Soviet Union and his efforts to promote detente in Europe. His recent performance in domestic politics, on the other hand, has aroused much private dissatisfaction and grumbling among Finnish parliamentarians, even if public criticism has been very muted.

After the general election last year had produced a parliament divided among ten groupings, Mr. Kekkonen used his dominating influence to bring about a broad coalition Government, based on the Social Democrats, Centre Party and Communists, with three small Centre parties providing some counterbalance to left-wing influence. The Premier was a semi-retired Centre Party politician, Mr. Martti Mietunnen.

The coalition meant the return of the Communists to the Government. They are divided into a majority faction under the party Chairman, Mr. Aarne Saarinen, which agreed to join the cabinet, and a minority under Mr. Taisto Sinisalo, which opposed participation in the coalition and has continued to vote against the Government in parliament.

The Sinisalo Communists believe the President's insistence *on Communist representation in* the cabinet was intended to bring about a final split within the party, a view voiced by other Finnish politicians as well. Mr. Kekkonen was more obviously motivated by the belief that a broad coalition was needed to deal with the rapidly deteriorating economic situation and to ward off the danger of serious unemployment. The inclusion of the Communists and their association with Government measures would also prevent them from mobilising trade union opposition.

The economy, described elsewhere in this Survey, called for *decisive government.* A 1975 payments deficit of Fmks.8bn. (£1.15bn.) was expected to be followed by another of Fmks.6bn. this year, with the foreign debt approaching 25 per cent. of GDP. A rate of inflation much higher than in Finland's neighbours had produced an increase of some 48 per cent. in two years in the private-sector's payroll bill, seriously undermining the competitive position of the export companies, already suffering from a prolonged market decline. The Finns had been living beyond their means and, in particular, a brake on public expenditure was badly needed.

The President's broad coalition concept has not in fact worked. The inclusion of the Communists has inhibited the Government from undertaking any real fiscal retrenchment. The Social Democrats, who remain the largest party in the 200-member parliament with 54 seats but who lost two in the last year's election against gains of three for the Communists *(40 seats), and four for the* Centre Party (39), have been anxious not to be outmanoeuvred by the Communists in the contest for union mem*bers' votes. A general incomes* policy settlement reached in February was posited on an unrealistic promise to keep inflation down to 5 per cent. over the next 12 months and provides for a review of wage rates this autumn, if the inflation rate is larger—as it will be.

Serious

The situation, though serious *enough, is not entirely hope*less thanks to the role played by the Bank of Finland. Where other countries have debated the respective value of monetary and fiscal policies in combating the recession and have usually adopted a mixture, Finland has by default been tackling it almost entirely by monetary measures. The Bank has maintained a very tight monetary policy, unusual in Finland, and has carefully channelled credits in what amounts to an employment policy of its own.

The Governor, Mr. Mauno Koivisto, a former Social Democrat Prime Minister, has for the last nine months been the most effective influence on economic policy. A shy, almost academic personality in private, he develops lion-like characteristics in public statements. In recent weeks he has castigated the Government for its failure *to cut spending,* the employers for encouraging wage drift by supineness in face of strikes, and union pressure and the Trade Union Confederation for not *exercising control on its mem*bers.

The prominent role played by the bank has underlined the relative ineptitude of the Government. *Its persistent failure* to agree on economic measures has meant that Finland has been drifting steadily towards the devaluation of the Finnmark, which the bank has fought to prevent and which even the major export companies, many of whom carry a high proportion of foreign debt, would like to avoid. The question now is whether the recovery on the West European export market, particularly for pulp and paper, anticipated later this year, will be strong enough to make up for Government procrastination and save the Finnmark.

The coalition's difficulties have received little sympathy from the President. Last month Mr. Miettunen handed in his Government's resignation when the Communists refused to accept a 2 per cent. increase in sales tax needed to finance a supplementary budget. Mr. Kekkonen refused to accept the resignation, insisting that the coalition continue, with the Communists being allowed to vote against the sales tax in Parliament. The Cabinet finally agreed on its budget after its smaller partners had been allowed to vote against other measures worked out in a compromise between the Social Democrats and the Centre Party. It is likely to survive through the summer.

Mr. Kekkonen, now in his 76th year, has once more demonstrated his complete dominance of the Finnish political scene. His autocratic act in ordering a *crippled Government to con*tinue in office has, however, evoked the first, faint rumblings of mutiny. The point has been reached in Finnish politics where it is difficult for party leaders to act decisively or to work for genuine understanding across party lines, because they are so overshadowed by the President and know that in the final analysis he will have his way. Yet all the major parties support his candidacy to a new six-year term in 1978.

BASIC STATISTICS

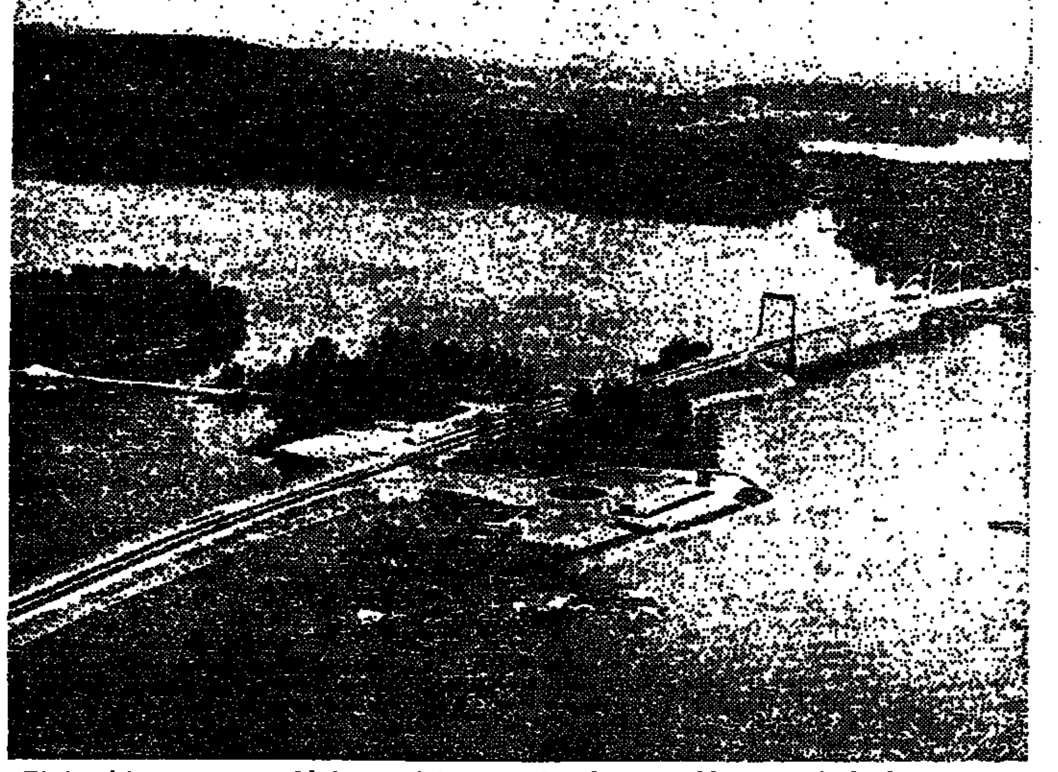
Area	130,129 sq. miles.
Population	4.71m.
GNP (1974)	Fmks. 81.9bn.
Per capita	Fmks. 17,498
Trade (1975)	
Imports	Fmks. 25.7bn.
Exports	Fmks. 20.2bn.
Imports from U.K.	£264m.
Exports to U.K.	£400m.
Currency: Markka	£1=Fmks. 6.86

Exposed economy loses its way

THE FINNISH economy is about to crawl out of an 18-month depression, the worst it has experienced since World War II. Trade figures for the first quarter indicate that exports increased by 1.9 per cent. compared with the last quarter of 1975, the first increase in nearly two years. The unemployment rate has decreased somewhat. The trade deficit at the end of April was Fmks.1bn. (£130m.) smaller than it was a year ago. But the upward movement is painfully slow.

The reasons for the setback can be divided into two groups: external, more or less beyond Finnish control, and internal, of Finland's own making or lack of resolute action.

It is already a truism to say that the Finnish economy is more sensitive than that of many Western developed countries to international cyclical fluctuations. The statistics are simple. Nearly every fourth Finnmark of the national income derives from export earnings. The same sum—recently more—is spent on imports. Machinery and equipment account for one-third of fixed capital formation and more than a half of this is imported. All liquid and solid fuels, wood and peat excepted, must be imported. No wonder that the prospects for exports and the prices of both exports and imports influence the national economy so strongly.



Finland is a country of lakes and forests; the absence of large-scale fuel resources, other than wood and peat, has left the economy at the mercy of international cyclical movements.

Borrowing

The investment ratio is high, and in a country which is chronically short of capital in relation to need this means borrowing abroad. It is the only way to create the additional production capacity required to earn the foreign exchange needed to sustain growth and the high standard of living. Some critical observers are now asking, however, whether all the investments made have been strictly necessary.

These factors help to explain the three main problems facing the Finnish economy. They are a huge current account deficit and net foreign debt, a higher rate of inflation than in most of Finland's competitor countries, and fairly serious unemployment. The soaring price of oil was, of course, the main cause of the first problem and a strong contributor to the second, while growing unemployment followed from the slump in export demand owing to the global depression.

But the collapse in 1975 cannot be blamed entirely on external causes. When most Western economies went into a tailspin in 1974 because of the oil crisis, Finland was enjoying a boom, largely because of the upsurge in the price of paper and related products, but also because of the final spurt of a 2-year investment splurge. This cyclical time lag of 6-12 months is a peculiar feature of the Finnish economy, already well known. But repeated warnings of the trouble to come were ignored or not believed. When the paper market collapsed at the end of 1974, the truth had to be faced. From then on, there was a good deal that those responsible for Finnish economic policy could have done, but conspicuously failed to do.

If the party politicians can be likened to Nero, the Bank of Finland must rate with Canute. For two years it has used virtually the only means at its disposal, tight monetary policy, to stem the tide. But without fiscal backing the task was hopeless. At the end of 1975, the deficit on current account was Fmks.7.9bn. (over £1bn. at the December 1975 exchange rate), the net foreign debt was Fmks. 21bn. (£2.69bn.), one-fifth of the GDP, inflation was running for the second year in succession at an annual clip of 18 per cent., and unemployment was rising steeply.

By the beginning of 1976, import prices showed some signs of stabilisation, reports from Western market economies confirmed the start of a new upswing, and Finnish industry had plenty of capacity to ride the wave when it broke. But this presupposed that its prices were internationally competitive. The cost level in Finland rose in 1973-1975 by 38 per cent., versus an average of 25 per cent. in its competitor countries. A fourth year of high double-digit inflation would jeopardise this condition. Yet the unions again demanded and won an inflationary wage settlement. With fringe benefits and wage drift it amounts to an increase of some 13 per cent. in earnings this year. The prediction for inflation is 12 per cent. It is estimated that the international competitiveness of Finnish industry has now decreased by one-fifth since the last devaluation of the Finnmark in 1967.

Inflation is well within the power of Finnish control—assuming that import prices of oil and raw materials do not take a sudden leap upwards again. A 12 per cent. inflation is certainly an improvement on 18 per cent., but it is still too high. This is despite a total price freeze since January and strict price controls to follow when it is lifted on June 30.

Alarm

Three Governments, one premature general election, two incomes policy agreements, half a dozen "paper programmes" and 18 months since the alarm siren sounded at the beginning of 1975, Finland has at last produced a prescription for balancing public expenditure and listed the principles that will be applied to balance the 1977 budget bill. The result is not impressive. It is a series of nibbles rather than a couple of good bites. But the Government has no teeth. Many of its proposed tax, excise and charge increases will push the consumer price index up, adding to inflation. Most of the tax increases will add to the tight operating capital problems of industry. What is more, the "principles" include a review of corporate depreciation and inventory valuation allowances which sounds ominous.

The Government's aim is to reduce the current account deficit to Fmks.5bn. by the end of this year, and Fmks.3bn. in 1981. This requires a sharp brake on the growth of public spending, public investment, and holding the increase in consumption down to 2.5 per cent. a year. Unless inflation can be reduced dramatically and soon, these targets seem improbable. Much will depend on what happens in September when the employers and unions meet to review the situation. The cost-push effect of wages in 1974 and 1975 was 10 and 13 per cent. respectively versus a net (import prices minus export prices) "imported" effect of 2 and minus 1 per cent. The outlook is not promising, for the existing collective bargaining machinery is in danger of total breakdown.

Finland has been living beyond its means for too long on borrowed money. Public sector extravagance has been financed by inflated tax revenue. Both these sources of income are now drying up. Satisfying though it may be to boast of an average growth rate of around 5 per cent. for the past 15 years (excluding 1975 when it was zero), the time has come to lower sights and consolidate the impressive gains already made. The conditions exist, all that must be found is the will

Lance Keyworth
Helsinki Correspondent

Small exporters leave less to chance

THE RAPALA family lives in Vääksy, one of the most beautiful places in Finland, about 160 miles north of Helsinki. Some years ago, the Rapalas designed a fishing lure and turned it into a modest business. It was a cottage industry. The Rapala brothers made the lures in spare rooms in their wooden houses. Their lures appeared in the Middle West of America, the area where most Finnish emigrants settled, and the anglers who used them seemed to win all the competitions.

A famous American magazine sent a photographer to Vääksy and ran a colour story on the family and their hand-made, hand-tested lures. Within weeks the demand for their product was overwhelming. To-day, their annual turnover is Fmks7m. (about £1m.) and 95 per cent. of their production is exported.

Rapala-Uistin, the family company, is often held up as an example of the small exporters of Finland, the individuals and families who have developed a special product or innovation of high quality, shown unusual initiative and enterprise, and proved competitive and reliable. Of course, there is often an element of luck as well, and sometimes the existence of a good agent to market the wares.

With the Finnish trade deficit running at close on £1bn., it may be that a few dozen small exporters who measure their foreign currency earnings in five or six figure sums are not very dramatic. But their trade is usually steady, and apart from that they help to create a Finnish image of tenacity, industriousness, good design and inventiveness.

Some of the companies have grown so fast that they have already moved into the big or at least middle league. One of these is the VS-Group of three limited partnerships founded by a Finnish engineer, Mr. Seppo Hautala.

The first was established in 1969 and is already the largest contractor in Finland in the field of water treatment. The group does considerable business with the Middle East and North Africa. Turnkey contracting accounts for about 50 per cent. of its turnover. The most recent contract won, worth Fmks.60m. (about £8.5m.), is for three fully-equipped boarding institutes, each for 500 students, in Libya.

Mrs. Kaarina Hellema is a designer who works only in leather and has done a lot of work for Friitala Oy. A few years ago, she established her own company, Design Karen Hellema, which employs a small team of designers. It started in the export business about five years ago. Now Mrs. Hellema is travelling about six months of the year, and her airports of call girdle the globe, from Korea to Australia to North America. On short hops she pilots her own plane. "I call myself a leather doctor," she says. "I'm often called in to diagnose what's gone wrong. Colour consulting is one of my specialities."

Mega-tuote Oy is a small company founded by a Finnish research engineer that makes sails, variously described as clip-on or outboard sails. Mr. Antero Katainen had the bright idea four years ago of putting all the apparatus of sailing behind the boat, like an outboard motor.

He invented a small kit comprising the sail, spars, a bracket, rudder and tiller. The package weighs 26 pounds. The unit can be clipped on to practically any dinghy, which thereupon becomes a yacht. The price in Finland to-day is about Fmks.1,000 (roughly £140). Publicity in the foreign Press has brought increasing inquiries from abroad in the past year. Mega-tuote has already exported around 300 units. The factory will shortly be moved into larger premises.

Family

When the Bentalls Department Store buyers visited Finland in January with the Hawker Siddeley Aviation commercial team to illustrate what they meant by an offset deal, one of the Finnish companies they met was Mohairlux Oy, a family enterprise located in the small town of Loviisa on the south coast. Mohairlux's turnover is about Fmks.2m. The company is hardly a household name in Finland, but then some 60 per cent of its production is exported. Now, for the first time the U.K. is one of its markets. The Bentalls' buyer was pleased with both the quality and the price offered.

Some seven to eight years ago, an organisation was established in Helsinki to promote and facilitate export business for small companies, mostly in the handicrafts line. Called Finnhand Expo it is part of the Finnish Foreign Trade Association, but is run as an independent establishment. It maintains a permanent exhibition in Helsinki, mainly of non-food consumer goods such as jewellery, textiles, gift articles, saunas and their accessories, furniture, and metal industry products. The current exhibition comprises about 760 products from 75 firms.

The exhibitors pay Fmks.120 per square metre per month (about £14), and the Government provides the same sum. The minimum exhibition term is six months. The permanent exhibition is given wide exposure through Finnish missions overseas, on Finnair planes, in travel bureaux and through advertisements in foreign trade journals. The idea is to attract even casual foreign buyers to drop in and see what there is for sale. It works, too, for some 60 foreign buyers have called on Finnhand Expo since March this year, one a day on

CONTINUED ON NEXT PAGE

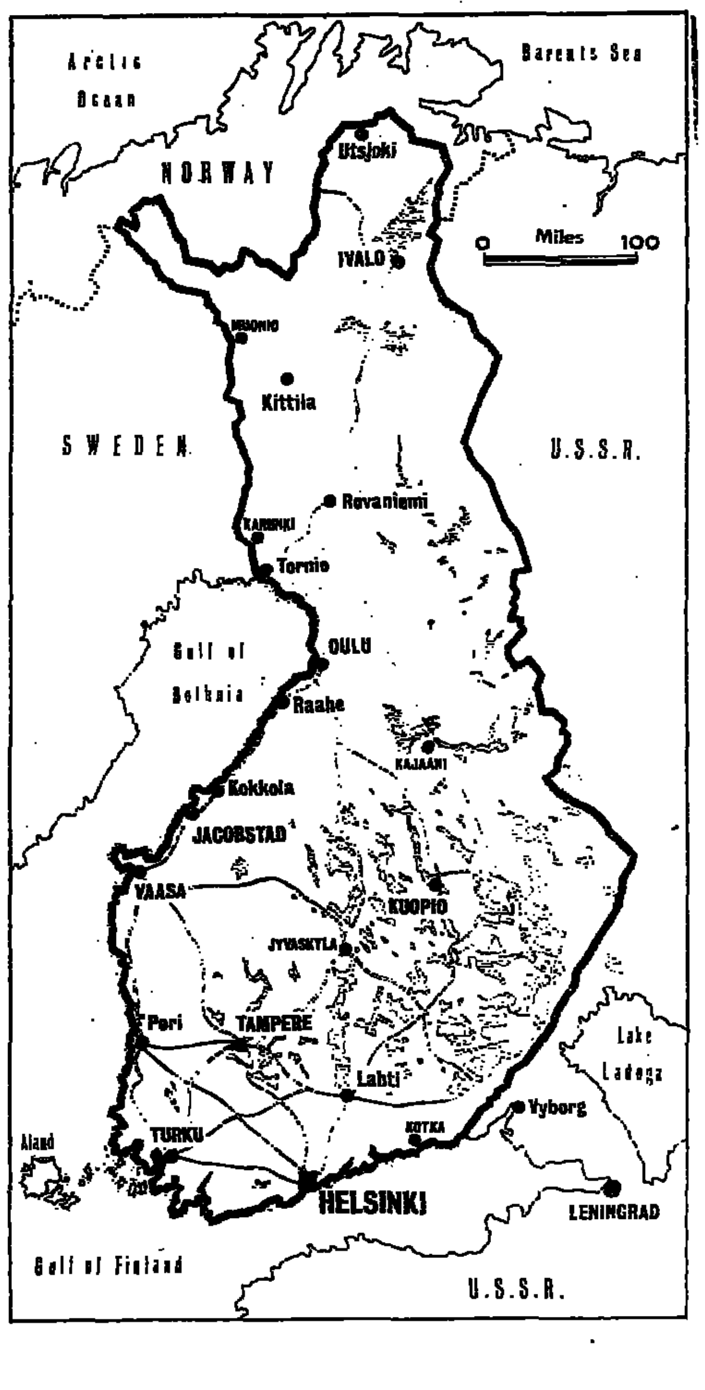
The Kokkola works of Outokompu Oy.

Russian market still vital for metals

THE FINNISH metal and engineering industry is a post-war child which has grown up fast. It is now the largest employer, has the highest added value of all sectors of Finnish industry and has increased its share of total Finnish exports from 14 per cent. in 1956 to 32 per cent. last year. Its major successes have been in shipbuilding, non-ferrous metal processing, the development of forestry and paper-making machinery and, more recently, in hoisting equipment and electrical engineering.

It has its problems, the most chronic of which have been a low profit level and a lack of capital, which may explain why it has a larger state participation—close to 20 per cent.—than, for example, the pulp and paper industry. It anticipates even closer state involvement. Currently, it is suffering from a two-year bout of wage inflation, which has seen wage costs rise by 45 per cent.

This is serious because it is eroding the labour cost advantage enjoyed by its exports. Although the metal industry's payroll costs have not yet reached the level of its Scandinavian neighbours, they are well ahead of British, French and Italian competitors, which explains in part why the chief pressure for a devaluation of the Finnmark is likely to come from this industry.



Exports

With only some 40 per cent. of its production going to export the metal and engineering industry is more home-oriented than the pulp and paper mills. Exports last year totalled Fmks. 6.55bn. (£936m.), of which Fmks 3.5bn. went to the two main customers, Sweden and the Soviet Union. The industry has yet to make its mark on the EEC market, which took only 18.3 per cent. of its exports compared with the 39.1 per cent. which went to the EFTA group and the 28.1 per cent. to the Comecon countries.

From July next year, however, it will have tariff-free access to the EEC, a prospect which is particularly *gladdening to the* forestry and paper machine producers, who see openings for their products in the European re-afforestation programmes, where the equipment now being used is primitive by Finnish standards. The restructuring of some antiquated European paper mills could also lead to orders not only for paper machines but also for the ancillary equipment provided by the electrical engineering companies.

Although many companies worked at only 70 per cent. of capacity last year, overall production *in* the industry increased slightly, owing mainly to domestic demand, which was kept up by a fairly high investment level. The gross value of production was close to Fmks.20bn. (£2.86bn.). There was little change in iron and steel output with 1.6m. tonnes of crude steel being produced, 1.37m. tonnes of pig iron and just over 1m. tonnes of rolled products. Exports comprised 237,000 tonnes of slabs and billets and 204,000 tonnes of rolled steel. The latest development is the commissioning of an acid-resistant stainless steel plate plant.

Exports figured much *more* prominently in the non-ferrous metals sector, where, of an electrolytic copper output of 35,800 tonnes, close to 34,000 tonnes were exported. Just over 6,000 of the 6,500 tonnes nickel produced and 82,000 tonnes of the 110,000-tonne zinc output went to export. There are 13 mines under operation in Finland, whose production with the exception of iron ore far exceeds domestic consumption. Metal exports were close to Fmks.1.2bn. last year.

Copper was the basis for the most significant Finnish metallurgical development, the flash *smelting process for refining* copper invented by the Outokumpu company. The process has been sold to some 20 countries and is responsible for about 20 per cent. of the copper *now produced in the world.* A group of Finnish companies is producing a complete plant for the process and has won a Fmks.1.5bn. (£215m.) contract for a copper and nickel smelting plant to be built at Norilsk in Soviet Siberia.

Shipbuilding remains the chief single contributor to the industry's exports, accounting for just over a quarter of the total to a value of Fmks.1.69bn. (£242m.) in 1975. It is also most typical of the development of the industry as a whole, having been built up after World War II, in order to meet the Soviet reparation claims. About half its output is still taken by the Russians, under the influence of whose orders it has specialised in the production of icebreakers, ice-reinforced vessels and other types calling for a high degree of *steel fabricat*ing and outfitting. The Finnish steel industry was developed largely in order to provide the yards with plate.

Two new yards have recently been commissioned, *leading to* criticism that the industry may be too large at a time when world shipping is going through a slump and orders for ships are slack. The main problem is *more likely to be the cost level* reached by the yards after the sharp increases in wages they have paid over the past two years. Profit margins have been eaten away, so that without the so-called K-guarantee system, which compensates exporters for domestic inflation above 11 per cent. a year, the yards would have run at a loss last year.

Contrast

So far in contrast to most other shipbuilding industries the Finnish yards have announced the cancellation of only two orders but it is understood that some Norwegian shipowners are now anxious to negotiate the postponement of deliveries. This would be a blow but the Finnish yards with their long-term Soviet contracts would still seem *to be more favourably placed* than most of their competitors. Demand for the type of vessel, especially those designed for Arctic waters, in which the Finns have *specialised* and in which they have unique experience, must eventually revive, even if there is a lag in the projects — in Siberia, Alaska and Canada — which they are designed to serve.

Finnish machinery exports in 1975 were valued at FMks.1.57bn. (£225m.). The most energetically promoted are the wood-processing equipment and the pulp and paper machines. Three of the four *principal* Finnish producers, Tampella, Valmet and Wartsila, *last year* set up a joint marketing, research and design organisation to promote exports. The Finns have specialised *in large, high-speed paper and* kraftliner machines but also produce a range of pulp-making equipment and ancillary units which enable them to offer complete production plants. Here again, though the Finns need to come to grips with their cost problems.

One company with a foot in the pulp and paper machinery business is Kone Oy, which produces material-handling equipment for wood-processing and paper mills. This company, however, has *far* more extensive interests and is one of the most successful Finnish exporters. Basically a lift manufacturer, *Kone last year took over the* Westinghouse lift producing interests in Europe and *has* set up joint ventures in South America and the Philippines. Over 70 per cent. of the company's income *is earned abroad. It also pro*duces heavy cranes and shipboard hoisting equipment.

A branch in which the Finns seem to have a good opportunity of expanding is electrical engineering. Of gross production value approaching FMks.3bn., exports including cables amounted to FMks.800m. (£115m.) last year. In addition to generators and transformers, high-powered electric motors are manufactured for industry, and diesel-electric engines of exceptional capacity have been developed for icebreakers

W.D.

Exporters

CONTINUED FROM PREVIOUS PAGE

average, from countries like Japan, Malaysia, the U.K. and the U.S.A.

Finnhand is not just a permanent *exhibition.* It *is* also *an* export counselling organisation, advising small companies on how to get started abroad. "Sometimes we have to give negative advice, too," says the manager, Mr. Rainer Vainionkulma. "Some small businessmen just don't understand the work and cost of breaking into foreign markets." Finnhand has office space with telephone, telex *and* secretarial services which it rents both to the visiting businessman from abroad and to the Finnish seller from the remote parts of the country. This is important, for Finland is a *vast country and not every* visitor has the time to trek out to a small handicraft factory 500 miles away from Helsinki.

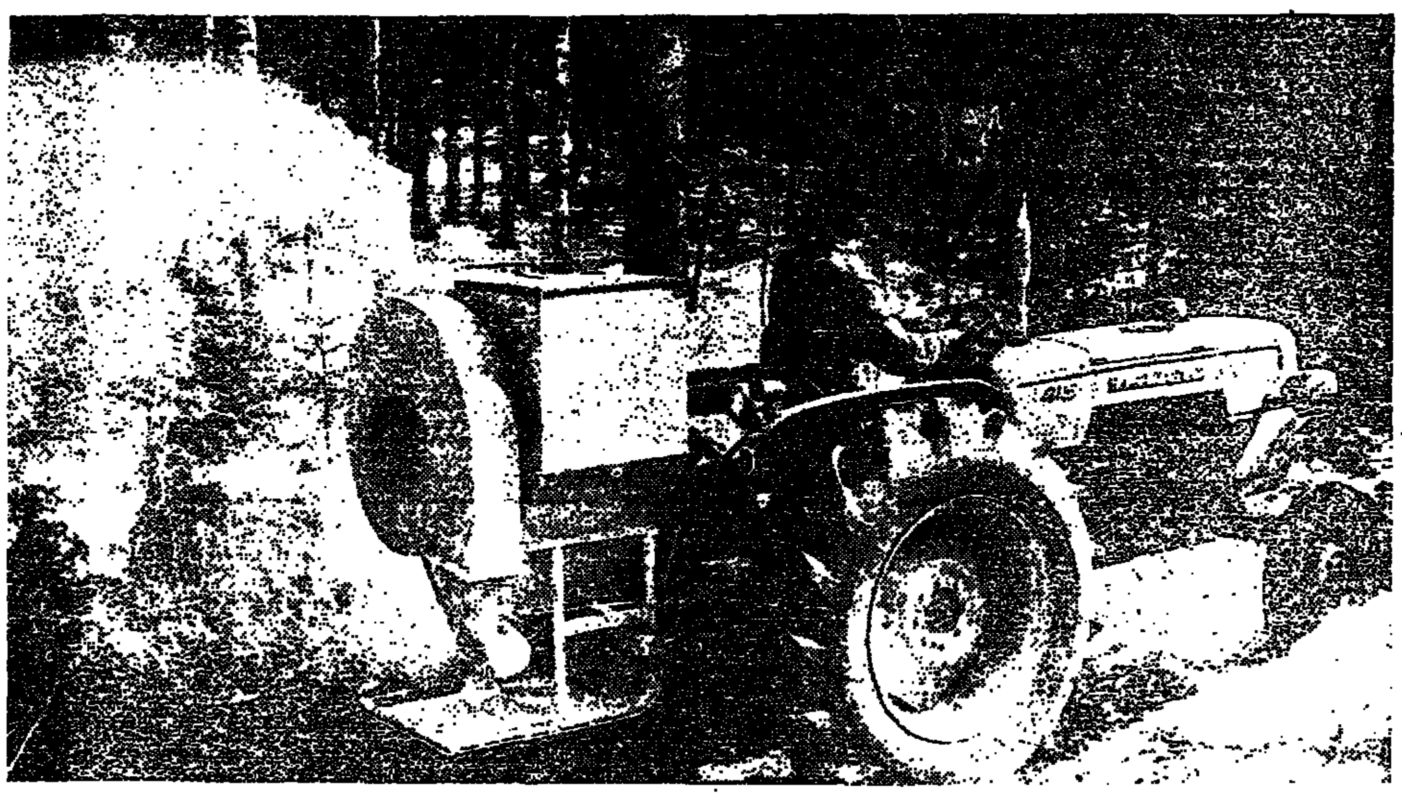
Another service that Finn*hand offers the smaller* exporters is assistance to participate in foreign exhibitions and fairs. The Government pays 50 per cent. of the total costs of such participation, in*cluding collective advertise*ments in the trade journals of the exhibition venue. In September this year, Finnhand Expo will have official stands at the giftware exhibitions in *Utrecht* and Salzburg. In short, it seems that the smaller Finnish firms with export potential are having a lot of the luck taken out of their ventures.

L.K.

Glum forest industry awaits higher demand

FINLAND'S FOREST industries, which in normal times account for over half the country's exports and are by far the largest net currency earner, have been experiencing a prolonged recession. Recently there have been the first tentative signs of increasing demand from the West European markets but it is becoming evident that the long awaited recovery will get under way only slowly this year. The strain on company finances, already undermined by wage and material cost increases and by low capacity utilisation, is heavy, in particular as the Bank of Finland's tight credit policy makes it difficult to find loan capital.

There are some positive factors. Domestic inflation is slowing down. Stocks of timber, pulp and many paper products with consumers, and in the pipeline, have at last reached bottom. Pulp prices have been maintained in collaboration with the Scandinavian suppliers despite the building up of unusually large producer stocks. On the whole, however, the negative factors are still the stronger and it must be assumed that the mills cannot hope to return to normal production until next year.



Forest fertilisation: a fast way to increase forest growth.

Stocks

They are in fact aiming at returning to 85 per cent. utilisation of capacity later this year before they start unloading the stocks built up over the past year. Given their commitment to maintaining employment, this would seem to be the logical course but the Central Association of Forest Industries is currently forecasting only a 17 per cent. improvement in export volume this year. The implication must be that there is little chance of seriously reducing stocks this year and there may be a longer delay than the mills' financial directors would like in pushing up prices again to a profitable level.

Forest industry production dropped by 24 per cent. in 1975. Average capacity utilisation in the pulp and paper mills was well under 70 per cent. with some board mills running at about half capacity. The average *for the saw mills was even* lower. The industry as a whole reduced the number of shifts, shortened the working week, let some machines stand idle and shut down during the holidays.

Exports declined in volume by 29 per cent. last year following on the 7 per cent. fall in 1974. To get back to the level reached in 1973, the industry would need a 52 per cent. improvement in export volume this year, or about three times the 17 per cent. predicted by the Central Association. Market pulp exports have dropped from 1.66m. tonnes in 1973 to 1.33m. in 1974 and only 943,000 tonnes last year. Paper exports fell by 875,000 tonnes to 2.34m. tonnes last year, while board and board products declined by nearly 600,000 tonnes to just over 1m.

The contraction in export earnings by the forest industries was lower at 16 per cent. but its share of overall Finnish earnings fell from 52 per cent. to just over 45 per cent., totalling FMks.9.2bn. (£1.32bn.) against FMks.10.8bn. in the previous year. The pattern of trade also changed substantially, reflecting the recession in Western Europe, where the EEC took only 55 per cent. of Finnish forest exports compared with over 62 per cent. in 1974. The East European share rose by nearly 10 points to 21.4 per cent. *but this switch is regarded as* being only temporary.

The first quarter figures for this year showed a genuine pick-up in the volume of sawn goods exported and a much needed recovery in board deliveries, which rose by about one-third. There was no corresponding improvement in board prices, however, while the price improvement on the timber side was checked by competition *from the Russians on the British* and continental markets. Pulp exports were nearly 25 per cent. lower than for the first quarter of 1975 but are expected *to improve by 20 per cent. on* a yearly basis, while paper exports *had also failed to recover* during the first three months. Pulp prices have remained stable but fluctuations in various paper products have on the whole been downwards. The U.K. remains in many respects the key market for the Finnish forest industry and there is considerable concern about the lag in British economic recovery.

A most interesting situation is developing in the pulp market, where something like a test of stamina between the Scandinavian producers and the European paper mills is being waged. The Scandinavians have managed to keep their price front intact at the level reached in the second quarter of 1975 and have even been looking for price increases towards the end of this year. At the same time the Swedes and the Finns are sitting on stocks which by now amount to well over 1.5m. tonnes and must constitute a price-dampening *factor. Demand has started to* revive, as the European buyers approach the end of their stocks, but they are evidently not yet ready to place large orders.

Weaker

The Finns may be seen as constituting the weaker link in the Scandinavian front because of the far greater pressure on their *mills'* cash situation. Unlike the Swedes, the Finns have not received Government grants for stock-piling. The Bank of Finland has channelled some Fmks.1bn. in bank credits to help them but the Finnish mills *are paying normal interest rates* and their stock piling has been entirely self-financed.

Several of the larger pulp and paper companies declared profits on their 1975 accounts but a closer look at their results suggests that the earnings were reached after a much lower level of depreciation. Had cost accounting been applied, they would have shown considerable losses for 1975.

Their financial position is being squeezed in more than one way. They have not laid off workers, except some 3-4,000 made redundant during the harbour workers' and seamen's strikes in April but later reinstated. The mills have argued that they could not afford to lose skilled labour to Sweden. There has also been a purely political motive in that workers have been kept on to prevent a national confrontation with the unions.

When linked with the 22 per *cent. rise in wages last year the* effect has been an alarming slump in productivity. According to one estimate Finnish export industry as a whole has suffered a fall of 20 to 25 per cent. in weighted unit costs since 1972 in comparison with the Swedes.

The mills' debt equity ratios have deteriorated considerably, as they have had to increase their external financing, in order to overcome liquidity difficulties. The Bank of Finland's credit squeeze and stricter scrutiny of foreign borrowing permits since the autumn have added further pressure. The raw material position is also unfavourable. Stumpage prices rose by *some* 200 per cent. in the boom years of 1973 and 1974. There was a decline of *some* 20 per cent. last year but the mills are finding it difficult to pay even the current prices for round wood from the farmers. Moreover, the Bank of Finland, bent on its anti-inflation policy, is not anxious to stimulate farmers' spending by making funds available to the mills for round wood purchases.

Sulphate

Expansion plans decided earlier are going ahead. Two new sulphate mills are under construction, one due for commissioning later this year and the *other in August 1977, adding* 350,000 tonnes to pulp-making capacity. But understandably few new investments are being made. Moreover, the industry has agreed to keep a balance between the forest resources available and production capacity, limiting expansion to the logging potential. Future investments will almost certainly go more to plant modernisation and to processing, which does not involve any substantial increase in wood consumption.

The forest industry scene at present in Finland is rather grim. In six months the outlook could be much brighter, as the West European economic *recovery begins to gather pace.* Until it does so and confirms that it is likely to last for a while, the tense, nervous period which the Finnish mill managers have been experiencing for the past year will be prolonged.

L.K.

Electronics sector plans growth course

ABOUT three years ago a Government committee reported on the increasing use and costs of computers in Finland. It came up with some rather startling figures confirming the high growth rate of the industry. Imports of computers, peripheral equipment and spares grew by an estimated 30 per cent. yearly in the 1960s. In 1971 they cost about Fmks.80m. (£8m. at the then rate of exchange), and assuming that the same trend would persist the committee's estimate for 1980 was Fmks.600m.

In the electronics branch as a whole the figures are if anything even more dramatic. In 1960 the value of production was Fmks.50m., of imports Fmks.120m., and of exports Fmks.2m. By 1975 production value had increased almost 25-fold to Fmks.1.16bn. (£149m. at the December, 1975, exchange rate), imports were Fmks.1.1bn. and exports had jumped to Fmks.512m. Obviously the electronics branch is a heavily import-dependent and capital-intensive industry. With the balance of payments posing a growing problem year by year, here is one branch of industry where the high level of Finnish technology and aptitude to excel in certain special sectors could be applied to good advantage.

There is now a permanent ADP committee composed of representatives of the public and private sectors which is deliberating a national policy for the manufacture of both hardware and software, and the establishment of a company for the production of small computers. The idea of public-private sector co-operation is not new in capital-intensive projects. It has worked for some time in the petrochemicals branch, and there is a very recent example of a new venture in the electronics field. But the electronics industry has so far been overwhelmingly private enterprise.

Grown

In 1940 there were six companies engaged in the manufacture of electronic equipment, in 1961 still only 21: but by 1975 the number had grown to 160. However, most of these companies are small (annual turnover less than F.Mks.2m.) and new. Over a half of them were established in this decade. But some of them are already exporting, and the range of production is broad, covering industrial electronics equipment and components, measuring instruments, communications, data processing and medical electronics, and the so-called consumer electronics field (radio, TV, etc.). Most of the multinational corporations in the branch are represented in Finland or have their own production plants here. IBM has about 55 per cent. of the market for general purposes equipment.

The Finnish giants are Nokia Electronics and Salora. Between them they account for over 40 per cent. of the turnover of the whole electronics sector. Salora is a family company which leads the TV set field in Finland and has built up a flourishing export business in Britain and recently in Africa. It was in the international business news pages early this year because of its decision to found a new company, Valco, in partnership with the Finnish State (60 per cent. of the share capital of Fmks.50m.) and Hitachi, of Japan (20 per cent.).

Valco's production target for *the first phase is 300,000 colour* tubes a year, most of which will go to Salora itself. Hitachi will market between 50,000 and 100,000 tubes a year in West Europe. As all TV tubes are imported at present (value in 1975 about Fmks.100m.), this is an example of import-substitution enterprise, although one-half of the value of the finished product will still have to be imported. It is also the first example of public-private sector co-operation in the electronics branch.

Nokia Electronics is the fastest growing division of Oy Nokia AB, a company which ranks among the top five manufacturing enterprises and is one of the two biggest private industrial concerns in the

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Energy policy aims to reduce oil imports

THE COLDNESS of their climate, their long communications and the nature of their industry combine to place the Finns among the heaviest consumers of energy in the world. They rank seventh on a per capita consumption basis according to a 1974 OECD report. At the same time they are less favourably endowed than their Scandinavian neighbours with domestic resources, having less *hydroelectric reserves and no* oil, coal or natural gas. Timber has been the traditional domestic fuel, while the energy-intensive forest-based industries, which account for some 30 per cent. of total Finnish consumption, have developed the use of the waste liquor from pulp production and other residues as energy sources.

Nevertheless, last year close to 70 per cent. of the Finnish consumption of 21.5m. tonnes oil equivalent was imported. And the proportion would have been higher, had not 1975 seen an unusual drop in demand caused by the low level of production in the pulp and paper mills and a mild winter.

This vulnerability to foreign energy supplies led Finland to develop from the 1950s a concept of independence, based on the establishment of its own State oil company, Neste Oy, first as an importing agency and then as a refiner on a grand scale, using crude oil imported on long-term contracts mostly from the Soviet Union.

For strategic reasons as well as the need to assure supplies during the months when ice makes sea transport difficult in the Baltic, considerable investments were made in storage space. Last year Neste added 1.7m. cubic metres to its underground storage space, bringing total storage capacity to 7.3m. cubic metres. At one time the company held stocks equivalent to six months' consumption. These have been run down recently for financial reasons, but Finland still has a safety margin considerably higher than the 90 days recommended by the OECD.

In the period 1960-73 the growth in energy demand averaged 6.1 per cent. a year compared with a GNP growth average of 4.9 per cent., and in 1965 the decision was taken to build nuclear power plants. Four have since been ordered, two from the Soviet Union and two from Sweden, but decisions on further orders have been postponed until a new forecast of future energy demand is tabled by an Energy Policy Commission later this year. This *will be the third report in four* years and there has been considerable confusion about energy policy.

The Government recently announced a halt to energy investment on the grounds that the current expansion programme was already excessive and would shortly lead to an over-capacity in both oil refining and electricity production. The Bank of Finland is understood to be worried about the effect on the soaring foreign debt of further foreign borrowing for energy investment. Finland has recently negotiated a reduction from 3.5m. to 2.5m. tonnes or less a year in a long-term contract for the import of Polish coal signed in 1974.

The Commission's forecasts *of future demand will certainly* support these decisions to *switch to a slower development* pace. There has been a considerable tapering off in consumption. sparked off by the 1973 oil crisis. This was already apparent in an interim report from the Commission in August, 1974, which lowered the demand forecast for 1980 from 33.9m. tonnes oil equivalent to 31.25 tonnes, with 74 per cent. coming from foreign sources against 77 per cent. in the earlier forecast. It pitched total 1985 consumption at 38.42m. tonnes oil equivalent, of which 44 per cent. would come from imported oil and 20 per cent. from nuclear power.

Primary

Now, according to Ministry of Trade and Industry sources, primary energy consumption is estimated to reach no more than 27m. tonnes oil equivalent in 1980 and 32m. tonnes in 1985. The rate of primary energy growth would thus slow down to 3.6 per cent. annually in the five years to 1980 and to 3.5 per cent. in the period 1981-85. This is due partly to the lower economic growth anticipated compared with the 1960s but also to the soaring cost of energy and the savings programmes initiated both by the Government and private industry after the 1973 oil crisis.

Of the reduced 1985 consumption less than 15 per cent. would come from nuclear power against the earlier forecast of 20 per cent. This would imply a slower rate of growth in electric power production, which was about 6,300MW in 1973 and *had previously been calculated* to reach some 15,500MW in 1985. At the same time Finland would also be less dependent on imports of electricity from Sweden and the Soviet Union and might not wish to take full advantage of the framework agreement with the Russians under which imports of electricity would rise to 4bn. kWH in 1980 and could be doubled again by the late 1980s.

Of the four nuclear power plants ordered, two of the 440-MW Soviet pressurised-water-reactor-type are being built at Loviisa to the order of the State power utility Imatran Voima Oy and are scheduled to go on-line in 1977 and 1978. At Olkiluoto on the west coast Industrial Power (TVO), a mixed private-public consortium comprising 16 companies is building two 660-MW units of the boiling-water-reactor-type supplied by the Swedish ASEA-Atom Company. The first should go on line in 1971 and the second after 1980. The uranium for these plants has been ordered from Canada and will be enriched in the Soviet Union.

Under the earlier programme it had been decided in principle to build two more Soviet reactors at Loviisa. It is now clear, however, that these will not be needed before 1985, and the delay in the need to place orders has given the Finns time to consider the more advanced types of Soviet pressure water reactors. At present they are debating whether to order two of 500 MW or one of 1,000 MW for commercial use after 1985.

The reduction in the energy demand forecast also means that plans for other sources can be cut back. Coal imports, for instance, are now expected to supply no more than 2.5m. tonnes oil equivalent of energy in 1985. Neste Oy's purchases of natural gas from Russia for industrial use, originally agreed in 1971 and expected to reach 1.4bn. cubic metres in 1979, will not now need to be enlarged and the pipeline from the Soviet Union will probably not be extended. The Russians in any case had indicated that they could not increase supplies to the 3bn. cubic metres originally targeted.

It is now also clear that Government plans to tap the only remaining domestic source, peat, will be modified. Finland has the second largest exploitable source of peat in the *world,* amounting to some 2-2.5bn. tonnes oil equivalent, and the Government had previously decided to increase production to cover about 5 per cent. of total energy demand by 1985. The first power plant running on peat, built for the United Paper Mills at Simpele, should be in full production in July. However, it has become evident that peat will be significant only as a local fuel because of the transport difficulties, its northern location and exploitation difficulties.

Sinking

Thus, imported oil will continue to be the main source of Finnish energy, with its share of total consumption sinking *from the current 52 per cent.* only to about 47 per cent. in 1985, and supplies rising from some 11.2m. tonnes oil equivalent last year to about 15.2m. tonnes in 1985. Last year Neste Oy imported 9.1m. tonnes crude oil, of which nearly 6m. came from the Soviet Union. In December Neste signed an *agreement with V/O Sojuznefte*-export for the delivery of 32.5m. tonnes of Soviet crude between 1976 and 1980, estimated to make up about 40 per cent. of the total value of Finnish imports from the Soviet Union during the period.

The Russians are understood to have explained that they cannot increase supplies beyond the 6.5m. tonnes a year allowed for in the new agreement, and Mr. Uolevi Raade, Neste's managing director and the architect of Finland's oil policy, has said that Finland will in the immediate future have to look to the Middle East for some half of its crude requirement. The expansion of the refinery at Porvoo, which came on stream at the end of last year, has given Neste an annual refining capacity for crude of 15m. tonnes, considered sufficient to cover Finland's needs for the next ten years. The throughput capacity of the main processing units is in fact greater, and capacity could easily be raised through increasing storage space.

This excessive refining capacity, which will entail the need to export some refined products such as gasoline, is yet another controversial issue in the long series which has chequered Neste's developments. All *oil imports* are controlled through Neste with oil products not produced in Finland being imported through Suomen Petrooli, a Soviet subsidiary. Prices are fixed by the State, and Finnish industry has frequently complained about them, in particular about the high fuel oil price levied. Some adjustments were made at the beginning of this year but the usual answer to industry has been that it must pay the price for maintaining the country's independence of the major foreign oil companies.

W.D.

Nokia Electronics is Finland's largest manufacturer of telecommunications and industrial automation systems.

Electronics

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country. Nokia Electronics is the biggest manufacturer of professional (as opposed to consumer) electronics equipment in Finland. It has three departments: computers and data processing; telecommunications; and industrial automation. Common to all three is the research *and development* department into which Nokia Electronics ploughs back 15 per cent. of its annual turnover. Sales in 1975 totalled Fmks.214m., of which about one-sixth was exports.

The computer department represents Honeywell Information Systems Inc. (through Honeywell Bull) and has three computer centres. Nokia Electronics has developed many innovations and systems of its own. Of the 1,146 units produced by the 13 Finnish manufacturers of microcomputers in 1975, no fewer than 839 were Nokia's Mikko 1 and Mikko 2 computers. Its most important industrial automation products are the computer-based process control systems used to control production processes in the pulp and paper industry, saving on energy and raw materials.

Nokia was the first company to produce a 30-channel pulse code modulation system. It is currently working on a telephone exchange based on the time division technique and expects to begin marketing it in 1978. Its water pollution monitoring system has aroused considerable interest. The company's autonavigator system *is* based on a combination of radar and computer for safe navigation of narrow passages.

Contender

In the news recently has been the Scandinavian data network project, valued at about Fmks.170m. in the first phase. Nokia has been a strong contender throughout for a share of this business. The main contractor will be L. M. Ericsson of Sweden, with Nokia as the sub-contractor delivering terminals and transmission modems, valued at some Fmks.30m.

Mr. Kurt Wikstedt, head of Nokia Electronics, stresses the importance of exports, as the home market is limited. The company has its own marketing subsidiaries in the U.S. and Sweden, and a sales office in West Germany, but its main market has been and still is the Soviet Union, together with other Comecon countries. Nokia recently entered into a new venture, Elorgdata Oy, with the Soviet organisation Elektronorgteknika and two Finnish companies. The new company has a service bureau in Finland. Its Soviet computers are installed and will start providing services this year. Elorgdata will also sell Soviet computers and components in the West. The Russians have a similar set-up in Belgium and Holland.

Looking ahead, it seems that the Finnish electronics market will continue to grow at a healthy pace, providing opportunities for both exporters and importers. It will also be a market to watch for innovations connected with the areas in which Finland specialises so efficiently, such as the forest industry, shipbuilding, communications, and environmental protection.

L.K.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Advertising and ...

An obvious rotter from one of the new Schweppes commercials.

Schweppes stops rot

BY ANTONY THORNCROFT

THIS WEEK sees the start of a new campaign by one of the brands which has always been regarded as very much the creation of advertising, Schweppes mixers. Cadbury-Schweppes has believed for years that its consumers enjoy the product more because of the advertising, that the advertising is, to a great extent, the brand.

As a result it takes an extremely close interest in the advertising. For nine years Schweppes was completely satisfied with agency OBM, actor William Franklyn, and the "secret of Sch ..." approach. But then it started to worry about Franklyn's dominance over the creative idea. Schweppes reckoned it was too restrictive, and moved the account three years ago to J. Walter Thompson.

The aim at JWT was to get the public to think more about the range of mixers, even if it meant enjoying the advertising less, a very hard brief. The relationship never really sparked, and in March the account moved to Saatchi-Compton, which had impressed with a presentation of exaggerated humour: "You can always spot a rotter by his total lack of Schweppes." The idea forms the basis of the advertising, which began to appear on TV screens this week and is drawn from research which suggests that people think of Schweppes as the superior mixer. One change this summer will be advertising which aims to get consumers to drink the Tonic straight.

The company is spending around £1.5m on mixers this year, a rise of £600,000 on 1975. Almost the entire budget is going on television with some back-up posters and point of sale. Schweppes still dominates this £100m. sector of the £790m. soft drinks market, but its share of 55 per cent. has declined slightly in recent years, mainly because of the challenge of cheaper "own label" lines. By attempting to catch the imagination of consumers so that they feel there is more style in drinking Schweppes the company considers it can correctly command a premium price.

Sun rise in Ireland

BY GILES MERRITT IN DUBLIN

A CRUCIAL battle in the circulation war between the Sun and the Daily Mirror is now being fought out in Ireland. If the Sun can win a decisive victory by badly denting Mirror sales here, it could push its overall British Isles circulation into the lead.

The Sun appeared on Irish newsstands for the first time early last month, and since then is estimated to have grabbed a sizeable slice of the Daily Mirror's sales. Leading distributors reckon it may well overhaul the Mirror here within three years. The big questions are whether or not the Sun is enjoying temporary sales as a novelty, and how long it can afford this costly challenge when it sells only half the copies it sends over and is spending a reputed £100,000 on promotion.

It was never nipples, of course, but football pools that prevented the Sun from distributing in the Irish Republic until May. In Fleet Street, where the struggle between Mr. Rupert Murdoch's cheeky tabloid and IPC's grizzled veteran of popular journalism is watched with more than passing interest, the conventional wisdom has been that some sudden, inexplicable relaxation of censorship allowed the Sun into Ireland.

In fact, it was Mr. Murdoch's decision to drop the football pool results from a large proportion of copies distributed from Manchester that opened up the Irish market, for unapproved forms of gambling are banned much more than bottoms in Ireland. Given that the Sun now risks the serious displeasure of its pools-playing readers in parts of Northern England and Scotland, it was a weighty decision and one that underlines the importance of Ireland in the Sun's battle tactics.

The Sun is now selling 19-20,000 copies daily, or 40 per cent of the Mirror's 50,000 sale. So far, the arrival of the Sun has expanded Ireland's taste for the Fleet Street tabloids, because the Mirror has lost only 10 per cent of its former sales.

On both sides, there is, at present, a degree of optimistic figure juggling, with The Sun claiming Mirror losses of 10,000 copies while keeping quiet on the matter of its own Irish distribution which has already been reduced from 56,000 to 38,000. With costs inflated by The Sun's failure to secure direct air freight facilities to Dublin from London, so that copies must first travel by rail to Manchester, total distribution may yet be cut further despite a 50 per cent increase in selling price in the Republic of 8p instead of 5p.

It is only in a national context that the Sun's efforts make sense. During April, The Sun sold an average daily total of 3,684,000 copies, while The Daily Mirror was at 3,823,000. For May, thanks to the first round in its Irish contest, The Sun can expect to have narrowed that gap, it hopes by 30,000 although The Mirror stoutly maintains that 22,000 will be more like it. Either way, The Sun's Irish venture brings the two tabloids to within only 100,000 or so of each other, while three years ago the difference was 1m.

The Daily Mirror, though, has the decided advantage of running an Irish edition of four pages, containing not only increased coverage of Irish and Ulster events but also Irish racing.

Dublin has lately seen an influx of senior editorial and sales executives from the two newspapers come to observe the battle for themselves, but probably the most interested spectators at first were the Irish newspaper publishers. With evident relief, the Republic's three morning dailies have now realised that they are only to be bystanders, for their sales have scarcely been affected at all. Nor do the warring tabloids take any of Ireland's estimated £20m. yearly spending on advertising.

Not content with being unharmed by the Sun/Mirror scrap, Irish publishers are now looking reflectively at the Republic's unexpected appetite for saucy tabloids and wondering whether the Sunday World, which is an unblushingly local facsimile of the Sunday Mirror, could go daily and clean up. Not literally, of course.

The Marketing Scene

Eggs on the move

THE Eggs Authority has moved its £1.2m. advertising account from Chetwynds to McCann Erickson. Chetwynd's has been handling the advertising for five years, during which time expenditure has grown from £50,000 to the current levels. The switch does not take place until next April.

Other agencies which made presentations were Michael Bungay and Ayer Barker Hegemann.

Some compensation for Chetwynds comes in the form of the advertising business of Austrian Wine nad Zenuth Watches, worth together around £350,000.

● HALLMARK Cards, one of the big names in the greeting cards industry, is launching its first, very modest, advertising campaign. It consists of a 45-second radio commercial on three stations drawing attention to Fathers Day on June 20. In the U.S. Hallmark concentrates on sponsoring television spectaculars in the Hall of Fame series. Agency here, and there, is FCB.

● ANOTHER company advertising nationally for the first time is Salisbury Handbags which operates a chain of 120 shops. Its campaign starts in September in women's magazines, using a new agency, McGougan Bowler Associates.

● MACLARENS, the Canadian-owned agency which shrunk to a £200,000 billing after their loss of the Corn Products account, has achieved a substantial gain in the form of the GAF Corporation, a U.S. chemical company with sales of $964m. GAF is big in synthetic floorings, and has three production units underway in 1976 in Europe. Hence the advertising campaign.

●TED Bates in London should gain around £500,000 in extra billing now that its parent agency in the U.S. has landed the National Airlines acount, worth about 10m. dollars. The change of agency (it was with William Free) wil mean the end of the controversial "Fly Me" advertising.

● THE group of small advertising accounts which moved under the supervision of John Murray from the Osborne agency to Savino and Company last year is on the move again, this time to Major Advertising. All told the dozen or so accounts bill around £80,000, with Nordic Saunas and Saqui and Lawrence perhaps the best known names.

● MALCOLM Gluck, former copy chief as Doyle Dane Bernbach, has signed an exclusive consultancy contract with Carly Ally. Gluck has been a free lance for the past three years.

● DAVID Lamb, the advertising manager of Rowntree Mackintosh, is succeeding Arthur Fenning of Procter and Gamble as chairman of the ISBA Radio, Television, Screen Advertising Committee.

● ONE company at least has launched a promotion to tie in with the American bi-centennial celebrations. Purchasers of a Remington shaver, or hairstyler, between now and August will be given a genuine U.S. Silver Dollar, as well as the chance to enter a holiday competition.

● JIF Desert Topings, from Colman Foods, is being introduced into Yorkshire after a successful test launch in Tyne Tees. Market size is reckoned to be £1.75m. this year.

Some of the advertisements on show at the DADA exhibition, which will be open to the general public from June 9th to the 26th at 52, Earlham Street, Covent Garden.

DADA short on gold

BY ANTONY THORNCROFT

THE Designers and Art Directors Awards for 1975 were more than usually circumspect this year. Only two Golds were given — to the Radio Times for "consistently raising the standards of editorial design," and to Heineken or rather Whitbread, or rather Collett Dickenson Pearce, for the series of commercials which refreshed the parts missed by other lagers.

But if the Gold Awards were hard to find there was a rash of Silvers. Ilford won the Black and White trade advertisement, thanks to agency Allardyce, and Volvo, and French Gold Abbott, gained the prize for the best Black and White Newspaper advertisement. The Public Services award went to the much praised "to make this car disappear, put your fingers over the headlights." campaign from Waseys, and the best Trade Magazine campaign was judged to be Unigate's Devon Cream Prize Yoghurts, created by Boase Massini.

Other winners, among a mass of Silvers, were Collett's, again, for Parker Pens and for its Whitbread Posters: BBDO for the best single radio commercial sponsored by Lasky's, and the best radio campaign, sponsored by Capital Radio, which both decided on John Cleese's Sony commercials.

In the Direct Mail section the Silver went to the International Wool Secretariat, and the individual pack prize was won by Harrods for its Smoked Salmon brand. Packaging went to Derwent Pencil Packs, and the best record sleeve was reckoned to be Gull Records "Seventh Wave Psi-fi."

There were 17 more silver awards, among which were Hovis for its use of music, COI for its "Save it" animated campaign, Dry Cane for its cinema commercial, and Tesco for the most outstanding television campaign.

There was also, for the first time, a special Gold Award, the President's, which went to Colin Millward, of CDP, for an individual contribution to the communications industry.

TV ADVERTISING

When the 1976 boom started

BY DON BECKETT, THE MEDIA BUSINESS

TOP TEN PRODUCT CATEGORIES 1974-75

Rank Order (in 1975)	Product Category	1975 TV and Press £m.	1975 TV Share %	1974 TV and Press £m.	1974 TV Share %	1975 (74=100) TV	1975 (74=100) Press
1	Food	99.7	87	84.7	85	120	102
2	Retail and Mail Order	84.7	25	59.8	19	182	132
3	Drink	38.8	72	31.3	67	134	103
4	Toiletries and Cosmetics	38.5	70	34.0	69	115	108
5	Motors	30.9	33	19.9	20	252	131
6	Finance	29.6	16	29.2	10	167	95
7	Household stores	27.2	83	27.6	85	96	111
8	Leisure equipment	26.4	48	21.9	40	146	105
9	Holidays, travel and transport	23.2	31	20.8	27	130	105
10	Tobacco	20.2	28	18.3	26	119	108

Source: MEAL.

ON THIS page last week is was reported that the television advertising boom of 1976 was still showing no signs of coming to an end. In fact with month-by-month net revenue increases (compared with 1975) as great as 65 per cent. in May (admittedly not a typical month last year) and a likely 40 per cent. in June, advertising's recording angel, Harold Lind, must be revising his figures as often as the Government statisticians adjust their estimates of the national population, and the demand for teachers.

Why is TV advertising expenditure growing at such a rate? It's certainly not because the ITV stations are delivering larger audiences to the advertiser or because there is any more time to sell. ITV broadcasting hours have not been extended, nor has the number of advertisement minutes per hour. What has happended is that the contractors, by their increasing use of pre-empt rate cards, have found a way of taking more money from each and every advertiser.

But the contractor can only benefit from a pre-empt rate structure if demand for time is sufficiently high, to ensure that buyers are prepared to pay a premium to guarantee obtaining the best ratings, or (equally significant) to avoid the worst. There's no doubt at all that the demand for TV time has been higher in 1976 than it was last year, but I believe that the beginnings of this growth are to be seen back in 1975.

A few advertisers switching some expenditure from Press to television can rapidly change a buyers' market into a sellers, because they are operating in a market place in which there is a fixed supply of airtime.

MEAL, in a recently produced report on TV and Press advertising expenditures by all Product Categories, has analysed the annual patterns of spending over the six years 1970-75. This report not only shows that in 1975 there was a greater growth in total TV expenditure than in total Press expenditure, but also enables the reader and researcher to analyse this growth in terms of 21 major product categories and a total of 330 product groups. So where did the 1975 TV growth come from, which laid the foundations for this year's boom?

The simple answer is: everywhere—or almost everywhere. Taking the 21 product categories under which MEAL classify their figures, television in 1975 (compared with 1974) gained share in 17, lost share in 3, leaving just one category where the honours were even.

Although Press had a majority share in six categories in both 1974 and 1975, the trend was most positively towards television. In nine out of ten cases TV share was higher in 1975 than in 1974. Exceptional in their stronger emphasis on TV were retail/mail order, motors, finance and leisure equipment.

It must be of particular concern of the Press to see this substantial erosion in product fields where they have previously had things much to themselves. And yet one could advance the hypothesis that what is good for television is good for all advertising, because it is in the two categories (Retail and Motors) where TV has gained its most significant increases in share that Press has benefited from its highest percentage growth.

Also evident from the tabulated figures is the way in which Retail (gaining fast on Food at number one) and Motors (up from ninth to fifth place) have grown in overall importance. Nine out of ten of 1975's top brands were retailers, so it is hardly surprising that this product category is showing such substantial growth. It should be noted however that although Mail Order is included by MEAL in the same main category as Retail, it has not been experiencing the same kind of growth.

Whereas, comparing 1975 to 1974, Department/retail stores were up 63 per cent. and Grocery chains/co-ops were up 39 per cent., mail order and direct response was up only 16 per cent. and mail order catalogue advertising actually fell by 8 per cent.

Lonsdale lands one

BY ANTONY THORNCROFT

IN the run up to the U.K.'s Common Market entry advertising agencies fussed about their widening overseas connections and their ability to tend multi-national accounts. These have proved, not surprisingly, something of a chimera. They might exist for a handful of organisations, like the major banks, air lines, and oil companies, but in the main advertising does not export very satisfactorily.

Now Lonsdale Osborne, which, as a middle sized British agency went particularly overboard on Europe, has got something to show for its pains. The total annual billing of the Osborne group is around £32m., and the London agency has been overtaken in size by the two offices it owns in Germany, which together bill £12m. And it has just gained a big European account, worth £750,000.

The client is Pioneer, the Japanese hi-fi equipment manufacturer, which is very big in Europe and the U.S. but had failed to make much impact in the U.K. In the last year Lonsdale Osborne has handled its advertising and increased its British turnover from £3.6m. to £7.1m., despite a declining market, and in appreciation the agency group has been given the go-ahead to prepare a European campaign, which will be the same in all countries. The advertising was devised in Paris by creative teams from the U.K., Holland and France, but it is the London agency that picks up the cheque.

At the same time Lonsdale Osborne is able to announce another improvement in its agency image, with the news that Chiltonian, which had the biscuit success of 1975 with Gingerallas, is about to launch a follow up line, Big Top. Lonsdale Osborne had, in the past, missed out on packaged goods TV advertising, so Gingerallas, which quickly achieved sales of £2m., has been particularly important.

THE FINANCIAL TIMES
Incorporating THE FINANCIAL NEWS
Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026

THURSDAY, JUNE 10, 1976

Compromise on Price Code

THE GOVERNMENT, as Mrs. Williams put it last month, is walking a tightrope in the negotiations about revision of the Price Code—anxious to allow industry the improvement in profits and profitability needed to support increased investment and employment yet fearful of upsetting TUC leaders by going, or seeming to go, too far in this direction. Since the CBI is faced with a similar tactical dilemma, it is not altogether surprising that reports about the state of the negotiations vary confusingly from one meeting to another. Yesterday's meeting was called by Mrs. Williams to confirm that the two sides were in fact agreed on the broad outlines of a deal, and the final meeting at ministerial level will take place to-morrow. Although time alone will prevent the consultative document from being published before the special TUC Congress on June 16, the CBI will at least have less cause to fear that something said at that Congress will mean a drastic revision of the new terms of the Price Code.

What has been achieved is necessarily a compromise. Since the basis of the compromise, moreover, is a certain increase in the cost of living and therefore in company profits, and since the value of the particular concessions must add up roughly to this figure, there is still room for the CBI to be satisfied with the general nature of the concessions but unhappy because their precise size has yet to be settled.

Callaghan lines

In general terms, the changes proposed are along the lines which the Prime Minister laid down last month at the annual dinner of the CBI. These were new provisions to encourage investment, changes to take account of the effect of inflation on stocks and fixed capital, a review of the productivity deduction, measures to avoid firms being penalised when productivity and output rise together, and a general simplification of the controls.

More specifically, the CBI suggestion that control should be based optionally on input rather than output costs has been rejected on grounds of administrative difficulty, though the CBI has not yet abandoned hope that there might be input costing for labour if not for raw materials. On stock appreciation and depreciation at replacement cost, the Price Commission is unwilling to set any particular precedent for inflation accounting while the general issue is still undecided but will probably make rough adjustments to take account of the effect of inflation; the CBI is pressing for a similar rough allowance to be made for working capital needs. To ensure that profits benefit from falling unit costs as output rises, some fixed ratio of turnover to fixed assets may be used in computing profits. The allowance against profits for investment expenditure will be raised from the present 20 per cent., but *the figure here, as in other* cases, has yet to be fixed; similarly, there will probably be some lowering of the productivity deduction. Among the administrative simplifications proposed is one which has tended to discourage mergers between companies with different profit reference levels.

Investment effect

None of these suggestions has yet been finally agreed and the absence of figures makes it, in any case, difficult to decide how far the Government is going to meet the CBI's opening position, that the Price Code ought to be *abolished altogether.* The calculation will be a notional one even when the figures are out, since it is impossible to determine how far prices and profits have been kept down or will be kept down during the coming year by competition and inadequate demand rather than by the operation of the Code. There seems, in fact, to be some discrepancy between the eagerness of the CBI to do away with the Code and its claims that the effect of its abolition on prices would be very small—though the administrative burden on industry of the Code in any form is probably reason enough for wanting to be rid of it. The overwhelming need, however, is for industry to rebuild its profitability. If this is to be achieved, the revisions in the Price Code have got to be a great deal more than tinkering.

Ground rules for aids to industry

ONE OF the faster growing elements of public expenditure in recent years has been the provision of government support for industry. This is not a development that can be attributed to one government in particular. The total amount provided in the form of grants, loans and equity participation has been tending to increase under governments of both the major political parties. However, the present Government, by setting up the National Enterprise Board and in developing its industrial strategy, has been tending to place even greater emphasis than its predecessors upon selective, as against generalised forms of assistance.

Disturbing losses

It has been doing so at a time when there has been an increasing number of disturbing examples of large sums of money being lost following earlier interventions with results that can, at best, be described as disappointing. The latest to come to light is the example of the contracts to supply base load electricity to two of the aluminium smelters which were built with Government assistance in the late 1960s. The State-owned electricity supply boards were pressured into granting special contracts for the supply of power on terms that were notionally based on the anticipated costs of two AGR power stations at a time when no full-scale AGR reactor had been built and when, therefore, the technical risks, including the risks of delay and cost escalation, were enormous. Not surprisingly, one now learns that the two electricity boards concerned have so far lost at least £80m. on these contracts and that their losses are currently growing by at least £25-£30m. a year.

The aluminium smelter project may have had features that were, and probably will remain, unique. But only a few days earlier this week one learnt that the Government had decided to write off the £5m. it had invested in the Kearney and Trecker Marwin machine tool group. Substantial sums have been provided to the scientific instrument industry with results that can hardly be said to be encouraging. Then there are the huge sums poured into certain shipbuilding firms in the 1960s and the even larger but equally fruitless outlays on a long list of civil aircraft projects.

Analysis

What is surprising is not that large amounts of the taxpayers' money should have been lost but that there has never been a sustained drive by Ministers and officials to establish what went wrong and why, with a view to identifying the lessons for future policy and its administration and, even more important, to make sure that the lessons are acted upon.

Obviously, governments ought to be much more chary about granting financial assistance to industry in the first place. But if regular post hoc analysis were to become an established part of the system of granting support, it would encourage Ministers and officials to define their objectives more clearly at the outset, to develop with greater care both the criteria on which assistance is granted and the analysis of the risks which may be involved, and above all perhaps to develop both in a manner which ensures that success and failure can be monitored. Unless objectives are reasonably clearly set out and the results of each intervention monitored so that its effectiveness is known, policy will all too often be at the mercy of whatever plausible arguments hold the scene.

Mr. Jimmy Carter has come top of the heap in the scramble for the U.S. Democratic presidential nomination, but President Ford is not yet home. **Jurek Martin** reports from Los Angeles.

The establishment cracks up

NEW MEN and methods were at a premium in the U.S. primary campaigns. Listen to one of the surprise successes in the campaigning of recent weeks: "The reason why we Republicans are a minority party in California is that the Republican leaders have been intellectually taking in their own washing for too long and have run out of fresh ideas."

The words are those of a 69-year-old Professor of Semantics by the name of S. I. Hayakawa. A Japanese-American with no previous experience of or apparent interest in electoral politics, he was known, if at all, outside California only for his brusque crushing of a student revolt at San Francisco State University a few years ago. But yesterday he put to the sword his opponents in the California Republican Senatorial primary. A party member for only two years, he beat both liberal and conservative candidates, Mr. Robert Finch, Mr. Nixon's old closest Cabinet moderate among them, with a campaign which, as he puts it, was deliberately unconventional and unpredictable. "I can be a liberal, a conservative — and anything in between." He upheld no party shibboleths, disregarded with almost careless rapture conventional political rhetoric, and now stands a very good chance of entering the U.S. Senate next year, a septuagenarian with no mission other than the *application of his mind.*

But his *observation seems* valid far beyond both the Republican Party and the sometimes esoteric confines of California. The losers in the 30 primaries that have fascinated this country since February have been the conventional politicians of Left and Right. Mr. Morris Udall, the Liberal, fought long, hard and fruitlessly. Senator Frank Church, another Liberal, came in late, did well in his north-western territory, but more or less admitted last night that it was hopeless. Senator Henry "Scoop" Jackson ran a campaign straight out of the political handbook and was killed off in a state (Pennsylvania) which had always in the past repaid such tactics: Messrs. Bentsen, Shapp, Shriver and Bayh all went the same way; it could even be argued that the collapse of ex-Governor George Wallace, who for a dozen years has been preaching his anti-Establishment message with some effect, owed much to the fact that he had become no more than an establishment anti-politician.

Mr. Gerald Ford, the incumbent President, has been a loser too, though he still has a chance of recouping his losses. All the logical arguments suggested that he should have little difficulty in winning at the very least his own party's nomination. America is at peace in the world, is no longer riven internally by Vietnam or Watergate, has an economy which is *improving rapidly, and is led* by a man who, whatever his defects, is honourable and decent. Yet, three months and 30 primaries behind him, he is still scrabbling around frantically for that critical extra bit of support that will enable him *to overcome Mr. Ronald Reagan,* a man who was widely believed to be no more than the heir to the conservatives who had so singularly failed in national elections of the past.

To be sure, there was hard core support for Mr. Reagan, perhaps amounting to one third of the Republican Party. These *are the "America Firsters," who* lap up his criticism of foreign and defence policy for being insufficiently powerful, and who believe that prayer should be put back in the classrooms. But he has extended this base, not because Americans *think* Dr. Henry Kissinger is selling the U.S. down the river to crafty foreigners, but because he has been telling them that what is important is to get Government out of the lives of the average citizen. He has been abetted in his cause in part by Mr. Ford's own shortcomings as a campaigner (particularly his inability to convey a sense of vision and leadership), but to a greater degree by the Republican perception of their President as a symbol of precisely that bureaucratic power they wish to see reduced.

On the Democratic side there have been two winners, Mr. Jimmy Carter and Mr. Jerry Brown. Mr. Brown, the current Governor of California, believes that Mr. Carter, former Governor of Georgia, is masquerading as the apostle of the new politics, while in reality he is an exponent of the old. Mr. Brown may turn out to be right in the long run, but the point is academic. They have won because theirs are fresh faces not associated with what the country dislikes about Washington.

Both have espoused in their *different ways visionary, almost* inspirational politics. Both have been perceived, in Mr. Carter's case somewhat inaccurately, as not being issue-oriented. Mr. Carter has probably been as specific as any other candidate in the campaign, but his pronouncements have not been entirely predictable.

Governor Brown constantly amazes by never talking about issues at all. As he told me with his customary insouciance the other day: "If you want people to think that issues are important, *all you do is repeat the* word 'issue' endlessly in your speeches."

All of which was a matter of grief to the Establishment, personified on the Democratic side to the Nth degree by Mr. Hubert Horatio Humphrey. But there are now growing signs that this unhappiness is being swallowed. Consider, for example, the case of the hoariest Establishment politician of them all, Mr. Richard Daley, Mayor of Chicago, who has thrown his support to Mr. Carter. This king-maker extraordinary, confidant of Kennedys and Humphrey, as it happens controls the 86 Illinois *delegates. In one of his rare* Press conferences in Washington yesterday he said that Jimmy Carter "has got something we *need more of*—religion." The mayor is, of course, a devout Catholic, goes to Mass every Sunday without fail but, his connection with the Catholic Kennedys notwithstanding, has *hardly made a habit of putting* religion at the top of his political priorities in the past.

There was more, however. "Who said that he (Senator Humphrey) should be the man who should be knighted on a white horse at the convention?" *The Mayor had suggested just* a few days ago that if Mr. Carter won the Ohio primary convincingly, then that ought to be that. Mr. Carter did, in a landslide, and in the Mayor's view that outweighed any setbacks he might receive in California and New Jersey. The message to Senator Humphrey could hardly *have been clearer. Mayor Daley* had concluded that if the Democrats were going to take the White House in November, then they would not do so by running a conventional issue-oriented campaign on a ticket headed by a conventional issue-oriented candidate. For what they are worth, this, too, is the message of the current crop of public opinion polls.

Mr. Carter will almost certainly be the Democratic candidate. It is true that Governor Brown has beaten him almost *wherever they have met,* and that the enthusiasm that he generated earlier in the campaign has cooled; a new face in February, he has become rather familiar in June. But Mr. Brown, the freshest visage of all, got into the race so late and is so far behind in the delegate count that the only way he could gain the nomination would be as a result of a real bloodbath at the Convention.

It is clear that the party, as was shown by Mayor Daley's attitude, intends to avoid that, particularly since the Republicans are likely to *engage in a bloodbath of their* own this summer. Senator Church was last night notably conciliatory to Mr. Carter, Mr. Udall, who has attacked Mr. Carter with more acerbity than anyone, said he would not take part in any "destructive" *movement: Senator Jackson* has decided to back Mr. Carter, in good measure because he has fallen out with Senator Humphrey. Even Governor George Wallace, perhaps wanting to show that after all the mischief he has caused over the years he is now a good Democrat at heart, has done the same.

Mr. Brown will not give up yet and, given his record in the last month, it would be surprising if he did. But the chances are that, much as he may dislike it, he will have to be satisfied *with the knowledge that he has* made a big splash in his first plunge into national politics, is only 38 years old, and can afford to wait awhile. His ambitions are very great but it seems that the only way he could acquire the nomination this year would be to deal with Senator Humphrey (from which he says he is averse) and everybody else in sight who has even the tiniest reservations about Mr. Carter. That is a very tall order indeed.

With to-day's converts, Mr. Carter appears to have the support to propel him over the top. He has had *a particularly tough time in the* West of late, perhaps because of the different perceptions that this part of the country brings to bear. But he has demonstrated overwhelming strength in the South and border states, which the Democrats must take in November if they are to be successful, and has done creditably in the industrial North, winning primaries in Mich[igan], Ohio, Illinois, Pennsyl[vania], Indiana, and Wisconsin. [If he] is the nominee, he will pro[bably] try to shore up his standin[g in] the most popular heartland [by] picking a running mate [from] this area, perhaps Sen[ator] Stevenson from Illinois (w[ho] would please Mayor Daley) [or] Senator Glenn from O[hio] (America's first space man).

The public opinion po[lls] which, now that the primar[ies] are over, will assume grea[ter] significance as the year [pro]gresses, all suggest that [Mr.] *Carter is favourite to be* either the President or M[r.] Reagan in November. H[is] chances would be enhanced [if] *the struggle between the t[wo]* Republicans becomes yet mo[re] bitter. The latest Ford ca[m]paign strategy, as expounded [i]n a series of television comme[r]cials claiming that thoug[h] *Governor Reagan could n[ot]* declare war, President Reaga[n] might, has cut the California[ns] to the quick. In the last coupl[e] *of days, for the first time,* M[r.] Reagan has hinted that h[e] might have difficulty supporting Mr. Ford's candidacy should h[e] win the nomination.

Very finely balanced

The contest between the two is very finely balanced, with Mr. Ford only fractionally ahead. The outcome depends entirely on who can win the allegiance of a relatively small number of uncommitted delegates and those still to be selected. If the fight becomes really rough, then the nomination may be severely tarnished, which spells trouble for the Republicans, because they are very much the minority party *in the land,* outnumbered two to one by both Democrats and registered independents. Moderate Republicans have already been left out in the cold. Though they could probably live, reluctantly, with President Ford, a Reagan candidacy might drive them into the Democratic camp or persuade them to stay at home. Conservatives could also probably support the President, but not if he beats their champion, in their view, by hitting him below the belt.

In the past both parties have demonstrated a capacity to carve themselves up: the *Republicans engaged in the* ritual act in 1964; the Democrats in 1968 and 1972. But the probability is that if it is anybody's turn, it is the Republican's this year.

And therein lies the rub. For there could be no greater irony and no surer prescription for defeat for either Republicans or Democrats, both of whom have indicated quite clearly in this protracted primary season their discontent with *status quo* politics, than to have their candidates determined by practitioners of the *status quo* working their will in smoke-filled rooms in New York City and Kansas City.

AFTER THE PRIMARIES: WHO GOT THE DELEGATES

Republican Delegates Committed	
FORD	914
REAGAN	857
NO PREF	203
Total needed to win	1,130
Total at convention	2,259

282 Republican delegates will be chosen in caucuses or state conventions in 11 states in the next six weeks

Brown Udall

Democratic Delegates Committed	
CARTER	1,134
UDALL	331
JACKSON	248
BROWN	213
WALLACE	168
CHURCH	74
HUMPHREY	57
OTHERS or UNCOMMITTED	635
Total needed to win	1,505
Total at convention	3,009

In some states delegates remain to be selected by caucuses *Governor Wallace's delegates and those controlled by Mayor Daley* of Chicago, under the uncommitted Democrat figure above, were released to Mr. Carter last night

Source UPI.

MEN AND MATTERS

Lonrho to build CES stake?

At the Combined English Stores Annual meeting held at London's Dorchester Hotel yesterday not one of the attendant shareholders raised the energy to overcome the heat and question chairman Murray Gordon about his recent share deal. (You may remember that *Lonrho acquired a 4½ per cent.* stake in CES through buying rather more than half of Gordon's personal stake at a price well above that prevailing in the market.

The deal and the motives behind it rather captivated City interest since no one was very forthcoming about it. CES made *the normal noises about drawing* on Lonrho's "commercial experience and finance," while Lonrho, to whom the £880,000 investment was really petty cash, didn't say anything at all.

Independent sources now back up the original explanation that the deal arose from a casual meeting between Murray *Gordon and "Tiny" Rowland* of Lonrho but, apparently, things are beginning to move as a result. According to Gordon yesterday Lonrho stands ready to back CES in overseas acquisitions.

That was predictable, but what becomes clearer is that CES is looking to Europe and probably the U.S. *for much of* its future expansion, and that Lonrho's part in all this will be to arrange the finance in a form which will raise its stake in CES from a relatively meaningless 4½ per cent. at least up to the 29.9 per cent. mark. (Anything more could require a full bid under the Takeover Code).

The original buzz that Gordon wanted Lonrho's muscle to mount a reverse bid for Burton Group does not stand up while the controlling Burton family interests show no desire to sell—which they do not. And anyway U.K. retail groups have to be bought at fancy prices compared to Continental alternatives. *First developments can* be expected within a month or so.

"With Howard Hughes, there seems to be more wills than women."

Pay Norm

In view of the dominant role in national life played these days by the TUC, the relative *anonymity of its leading* officials is surprising. Few outside the place had heard of Len Murray when he became general secretary, and the same can be said of Norman Willis, standing in while Murray recovers from his mild heart attack.

But if precedent is followed, assistant general secretary Willis is a man to know: in recent years, general secretaries have tended to be succeeded by their deputies. Willis is 43, making him 11 years younger than Murray. In fact, Willis's appointment to his present job two years ago was a bit of precedent-breaking in that he came from outside the TUC, having been research officer in Jack Jones's Transport and General Workers Union.

Willis's recreations include going to jumble sales and looking at beautiful buildings. He *was on the business and in*dustry panel of European Architectural Heritage Year, appropriate for one of his hobbies, but I suppose it is doubtful whether his membership of the Waste Management Advisory Council is somehow linked with the jumble sales.

More seriously, Willis's real *public test comes at next* week's special TUC congress to discuss the new pay round, though with opposition down to a minimum that should be a reasonably trouble-free occasion.

Eric's way up

Even in these times of much debate about the accountancy business, the progression to the top of the Institute of Chartered Accountants tends, TUC-like, to be politely predictable. So a significant name in the trio of office holders announced to-day is that of Eric Sayers. He becomes a vice-president and on *past form should be president* in 1978-79.

Sayers, 59, is chairman of Duport, the Midlands-based holding company which he joined as group accountant 20 years ago. The important thing about his institute role is that though 50 per cent. of the ICA's membership is drawn from industry rather than accountancy firms, industrialists are fond of complaining about their relative under-representation.

The president for 1976-77 is 62-year-old Stanley Kitchen. He *expects his preoccupation to be* the problem of auditing standards rather than the much-ballyhooed one of inflation accounting (for which a final standard may not be published until October next year). Kitchen may not be on the industrial side of the fence, but at least escapes being described as bound up with London: he is a partner in Touche Ross's *Birmingham office.*

Sale on while . . .

The Grosvenor House Antiques Fair which opened yesterday shows every sign of being an even better sales platform for Britain's antique dealers than *last year's successful effort.* Over 100 dealers have something like 10,000 pieces on display and the total estimated value is around £30m.

Not surprising therefore that security precautions are strict, but optimism among the dealers was tempered by a certain sadness that, with the flagging pound, much of the buying would probably be from overseas bargain hunters. This was borne out certainly by the queue that formed for the opening of the doors at 11 a.m. The vanguard was dominated by the Japanese who had, apparently, done their homework and actually ran to the stands where the objects of their choice were on offer. All a bit like an up-market version of the January sales.

. . . stocks last?

Perhaps it is just my suspicious mind, but I feel that prominently displayed notices at the Fair are at least open to misinterpretation. They state: "All exhibits are for sale. Articles sold are replaced daily."

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

The conditions underlying the credits

WE MUST not begrudge Mr. Denis Healey his public relations success in getting away with the presentation of yet another set of credits to bail out sterling as a great triumph for the Government. The Chancellor is rapidly emerging as the true successor to Sir Harold Wilson in his ability to announce a defeat as a victory and then sit back and chuckle at the discomfiture of his critics.

This is not said cynically. The ability to do something inherently unlikely—or impossible if other people were fully awake—commands genuine admiration. The whole episode has had, too, its moments of light relief. I shall remember for a long time the banner across the front page of the *Mirror* composed of the flags of the Group of Ten countries, as if it were some great sporting trophy we had won.

The situation is, of course, *all too familiar. Mr. Callaghan* received similar credits to support the pound at $2.80, and Mr. Jenkins to support it at $2.40. The novel feature of the Healey credits is that they are required under a floating exchange rate, and after the effective rate has already dropped over 20 per cent. in one year. Viewed in retrospect, the spectacle is that of a continuing decline interrupted by the occasional pause or breathing space.

"But for how long more can the depreciation go on?" I am often asked. There is in fact no *theoretical limit. The arithmetic* of proportions is not the same as that of differences.

International experts who advise the Group of Ten expect the medium term average rate of inflation to be up to 5 per cent. higher in the U.K. than *for industrial countries as a* whole. The sterling exchange rate can go on falling at this rate, or more, without ever reaching zero. The Italian word "lira" has the same meaning as the French "livre" and the British "pound." All three once denoted a pound of silver. To-day there are 1,500 lire to the pound sterling. Decline can be protracted over many centuries.

The kindest thing that friendly Governments and central banks could have done *would have been to refuse* us further credits and told us to put our own house in order. Unfortunately as a leading overseas central banker once said to a friend who proposed such a course, "Young man: that kind of charity does not exist any more in this world."

In the absence of this ultimate in charity, we will probably throw away the chances of an "economic miracle" fortuitously provided by the combination of world boom, highly competitive British costs position, and slack in the domestic economy.

* * *

THE MOST important single sentence in the Chancellor's statement was that if any drawing on the central bank credits cannot be repaid within six months, the Government would *be prepared* to go to the IMF. The implied condition is that if the U.K. still needs further help, it will accept the terms *of the IMF, with its well-known* emphasis on monetary and fiscal restraint.

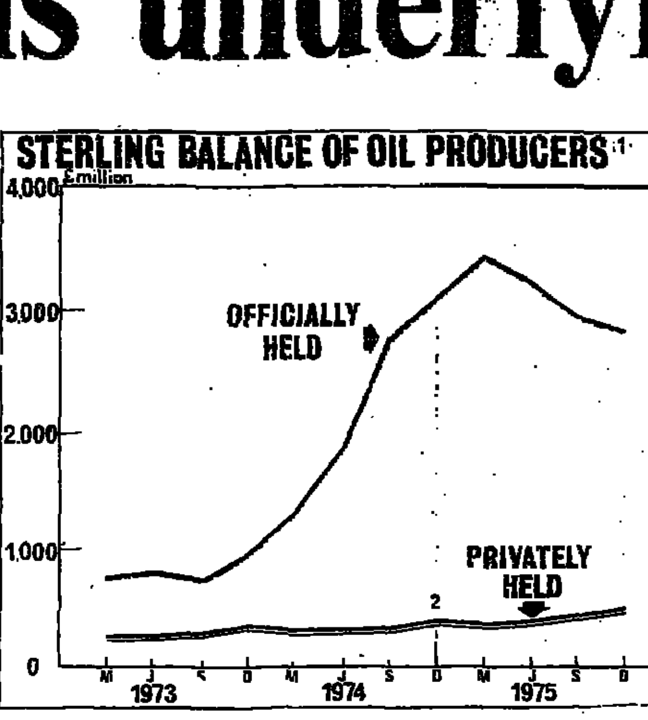
Contrary to popular mythology, the IMF does not have sharp teeth of its own. The Managing Director has in the last resort to follow the wishes *of the main member countries.* The governments behind the new credit package have now made the political decision that if the U.K. still needs support after six months, "sound financial policies" will be a condition and this is the significance of the reference to the IMF. The Fund is a convenient agency for enforcing these conditions.

If we assume—and this is not taken for granted by everyone involved in policy — that the credits do provide a breathing space for the normal processes of economic policy, what is likely to happen? In July the Chancellor will have available both a new set of National Income Forecasts and the preliminary results of the annual public expenditure projection known as "PESC."

A major exercise is under way to keep this year's public spending in line with the announced limits, but not to *reduce it further. It is also* highly likely that when the new projections are ready so-called "cuts" will be required to keep expenditure for 1977-78 within the limits already announced and to prevent next year's public sector borrowing requirement rising above the current year's estimate of £12bn.

But beyond that, what? There are three possibilities.

- Existing policies will be vindicated in the short-term sense that the pressure on sterling and on the reserves *will be halted without the need* to submit to IMF conditions.
- The Government will be forced to go to the IMF and *accept its conditions.*
- The new economic forecasts (or the gloss put on them) will give the Chancellor an excuse to "change his mind" and decide



Source: Financial Statistics

(1) Algeria, Bahrain, Brunei, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, United Arab Emirates, Venezuela.

(2) British Government stocks at nominal value until September, 1974, thereafter at approximate market value.

to reduce the borrowing requirement by £2bn. next year, whether or not he goes to the IMF.

By the time such decisions have to be taken the special TUC Conference will be out of the way. If there is no fresh sterling crisis, the Government could either announce its broad public spending objectives before the summer recess or wait *until the autumn or* winter.

There is still a strong school within the Treasury which does *not regard the public sector re*quirement or the money supply as policy targets. Its approach is to add up the probable real *demands on the economy and, if these do not seem likely to* cause overstrain, to take little notice of the size of the Budget deficit.

The monetarists still have very little influence inside the policy machine, although they have some with Mr. Callaghan *and Mr. Healey personally. But* there is a growing eclectic school of thought among Government advisers which believes *(a) that the public sector deficit* does matter in a non-recession year and *(b)* that the way to reduce it is through spending curbs rather than by higher taxes or interest rates.

The fervent prayer of the pragmatists is that the National Income Forecast will show a rapidly expanding economy, and that expenditure curbs of at least £2bn. can be justified on grounds of avoiding overheating. Even if the forecasts do not show this very obviously, with a little massaging they might be made to yield this result.

The outcome will depend on what is stronger: the push from the foreign exchange market and our overseas creditors on the one hand, or the pull from the TUC and the Labour Left on the other. The result can then be rationalised by the economic advisers.

Nevertheless, beliefs and ideas should not be dismissed too quickly. The continuing dislike of the Bank and Treasury for firm money supply objectives is still the most disquieting feature of the British situation.

The Chancellor supported his refusal on Monday to give such objectives by a prepared quota*tion from Dr. Arthur Burns on* the difficulty of making a second adjustment for the U.S. money supply figures in February. I am surprised that Mr. Healey swallowed such an unconvincing piece of briefing. The seasonal difficulties have not prevented the U.S. Fed from stating monetary objectives in terms of two measures; and Canada and Germany have similar targets.

Instead of capitalising on the personal inclinations of the Prime Minister and Chancellor to control the money supply, their advisers are discouraging it, some of them on the grounds that it will provide an excuse for not tackling public spending.

This is putting the cart before the horse. The first requirement is to put a ceiling on the growth of the money supply. When this has been *done, we can then ex*amine whether the rate of interest required to finance the public sector deficit outside the banking system is in any sense "too high." If it is, we can move to the third question: whether the public sector deficit should be cut by reducing spending, raising taxes or by a mixture of both.

The case against the present level of public spending needs to be argued on its own merits; and it is no real help to confuse it with the inflation issue. There is no substitute for a cool examination of the demarcation between the private and the public purse.

One might be able to rush a few emergency cuts in a crisis, but such cuts are likely to be ill-considered and not very durable; and we cannot rely on the crisis continuing. *The Indian* summer or fools' paradise is still a possibility.

* * *

IN ANSWERING questions on Monday, the Chancellor provided a little noticed partial breakdown of the pressure on sterling which cost the U.K. $3bn. in reserve losses and special borrowing over the last *three months. The current* account deficit was responsible for about a seventh. A quarter was due to commercial leads *and lags. (The official estimate* is that one day's timing change in payments can lead to a loss of up to $275m. in the reserves).

A *further quarter arose from* a rundown of the sterling balances. Balance of payment statistics show that there was *very little change in these* balances in 1975; and there was a modest rundown of £77m. in the first quarter of the year. The *Chancellor's figures sug*gest a *further rundown of* over £300m. in April and May.

Despite the much proclaimed intention to phase out sterling's reserve role, the nominal value of the sterling balances has risen from £4bn. in 1970 to over £7bn. at the end of 1975. The most important reason has, of course, been the large rise in the holdings of the oil producers which now amount to over £3bn. But there has also been a large rise in privately-held sterling balances (mostly outside the oil producers) from about £1.7bn. in 1970 to well over £3bn. at the end of 1975.

The official view is that major conversions are unlikely, as sterling now accounts for a very small proportion of the official reserves of the main countries concerned. All the diversification required can be accomplished gradually in the course of normal trading. In general, sterling balances are *now believed to respond to the* same sort of pressures as other elements in U.K. reserve movements.

The belief is common in the foreign exchange market that a modest rise in the sterling rate would unleash heavy sales of official balances. But it is not shared at a policy-making level in London.

There thus appears to be no immediate intention to bring back anything like the 1968 *guarantees* of the dollar value of the officially-held sterling balances. These guarantees were tied to an undertaking by the countries concerned to hold minimum proportions of their reserves in sterling. Such under*takings would hardly appeal to* the oil producers; and they would, in any case, not be applicable to privately-held balances.

Letters to the Editor

Professional engineers

From the National Officer, Electrical and Engineering Staff Association

Sir,—The article by David Churchill (June 8) listed unions active in the recruitment of professional engineers. Once again, however, no mention was made of the Electrical, Electronic, Telecommunication and Plumbing Union's Electrical and Engineering Staff Association. It would seem that unless you make a lot of noise and are prepared to reduce this very important issue to a public brawl *you are ignored by the media.*

We believe that engineers want their affairs conducted in a professional and reasonable manner and because of this we have consistently refused to enter into the degrading spectacle of inter-union arguments. This fact has not however prevented us being very active in the field of recruitment and so, understandably, when a major article makes no mention of the EESA a certain amount of resentment is forthcoming.

The point was made in the article that the Association of Scientific, Technical and Managerial Staffs, the Technical, Administrative and Supervisory Section of the Amalgamated Union of Engineering Workers, the Electrical Power Engineers Association and to a certain extent the Association of Professional, Executive, Clerical and Computer Staff, are not recruiting in the construction industry. *Why not? The answer is that* the EESA has already got a national agreement for electrical and heating and ventilating staff in this industry. This agreement, which includes a carefully structured grading system, makes the EESA an obvious choice for engineers. Other industries already covered by agreements with the EESA include telecommunications engineers, business and industrial services, television, computer and also hospital engineers. Many engineers who have joined have done so because they find their ideas compatible even politically with those of the Association.

At a recent dinner held by the Institute of Electrical Engineers, the views put forward by Mr. Frank Chapple, the general *secretary*, on such topics as industrial democracy were very well received by the audience of professional engineers. We appreciate the concern many *engineers show because they* believe that by joining a trade union they will become a minority group with no real say in decisions affecting them.

The EESA, *however*, was set up originally because the need of minority staff groups to be justly represented became apparent and it has proved time and again that protection for minority interests is possible, even when larger organisations are involved.

T. Rice.
*Hayes Court,
West Common Road,
Bromley, Kent.*

It is polite to say thank-you

From Mr. John Stokes, MP for Halesowen and Stourbridge.

Sir,—After thirty years' involvement in industry and commerce I still find there is a gap between those who sell and those who produce. After a big order (particularly an export order) has been executed and despatched it is still comparatively rare for the sales director or the company sales manager to go on to the factory floor and thank all the operatives who manufactured what had been sold. I am sure this frequently happens in family-owned or small companies, but it is not common in large concerns where personal relationships and leadership can be so remote. I am convinced it is attention to these matters *of detail which nevertheless* affect people's feelings and sense of belonging which will do more for improving morale in industry than all the proposals for workers being put on boards, etc.

John Stokes.
House of Commons, S.W.1.

Voices of Ulster

From Mr. John D. Taylor, former Minister of State for Home Affairs, Northern Ireland

Sir,—Your leader (June 9) is an interesting contribution to the public debate about future constitutional developments in Ulster. In particular your conclusion in favour of a devolved system of government at Stormont will be welcomed by the vast majority of Ulster citizens.

You would be wrong to conclude that, as a result of the present SDLP Official Unionist talks, that the latter party would be prepared to share in Cabinet with the SDLP.

I welcome your comment about the disproportionate influence of *Ulster MPs in the Westminster* Parliament and I hope that this means that you favour a removal of the present "gerrymandering" against our part of the U.K. and that, having equal rights with all other British citizens, you will support an increase in the number of Ulster MPs from 12 to 22, which is our fair share.

John D. Taylor.
4, Mullinure Park, Armagh, Northern Ireland

Brokers and issues

From Mr. A. Scrimgeour

Sir,—With reference to Sir Malby Crofton's further letter to you (May 28), I fear that he and I could keep this correspondence going longer than you would be prepared to permit, having regard to the threshold of boredom of your readers. May I, however, be allowed to say that the commission paid to the sub-*underwriters of the ICI issue* was 1½ per cent., which, I repeat, would be quite inadequate to protect them from loss in the event that this particular issue is not subscribed by the shareholders. As to the "generosity" of the terms, time will tell. The total expenses of any issue will include substantial unavoidable costs (printing being a very large, and sometimes the largest item) which would have to be incurred under any system of underwriting, assuming that shareholders were to receive an offer to subscribe.

Reverting to the relationship of brokers to issues, while three firms were certainly preponderant, so were a small number of companies which, bearing in mind the ratio of numbers of industrial companies to firms of *brokers, does not seem surpris*ing. On the other hand, there were over 160 separate industrial issues in 1975 on which over thirty firms of brokers acted.

I do not see how Sir Malby's scheme would prevent the large underwriting funds from playing an important part in the subscription of new capital and hence indirectly in the approval of the terms of issue, nor do I see the theoretical basis for stating that the establishment of a central underwriting fund would reduce the charge for the services of guarantors. It seems to me quite likely that the opposite would result because there would be less choice for those wishing to raise capital.

The fact that only a small part of new capital in industry is raised through the Stock Exchange is nothing whatever to do with the technical method by which capital is underwritten. We would all like the Stock *Exchange to play a much larger* part in financing British industry and there is clear evidence from the new issues made during the past 18 months to show that it can do so. The constraints are not the technicalities of new issue procedures, but such fundamentals as the Government borrowing requirement competing with the demands of industry, the availability of new money in the savings institutions and, not least, the potential profitability of the companies for which capital is required.

I entirely agree with Mr. Caulfeild (May 28) when he says in his letter that the point of the system is to allocate resources to effective companies, but why he thinks that the allocation of funds is decided by a merchant bank or broker and not by the fund managers, whose funds actually guarantee the subscription of issues, I do not know. Surely it must be obvious that no banker or broker would be prepared to sponsor an issue if he did not believe that his institutional clients would be prepared to purchase shares at the issue price and there is no yardstick by which the fund managers can decide whether or not to do so, other than their expectations of profitability.

There is a perfectly good theoretical argument for saying that if shares on a rights issue *are issued at sufficient discount* to the market price, no underwriting is necessary and from time to time issues have been made on this basis, effectively combining a scrip issue with a rights issue. Unfortunately, shareholders never seem to behave in the way that theory demands. In practice the consequence of raising large sums by this method is to drive down the market price of the shares in question for a significant period after the issue is made, which can be a very great disadvantage for shareholders until the situation adjusts itself. It would also be a very bold adviser who would tell his client that no insurance was ever necessary against the large expenses involved in raising capital in any form of a rights issue.

Furthermore, while we continue to have a corporate system based on fixed par value shares, there are sometimes accounting reasons for not wishing to increase the issued ordinary capital to the extent that would be necessary to avoid underwriting. There is obviously a theoretical price at which it ceases to be necessary, but industry in general seems to prefer the certainty of a higher price coupled with underwriting, although the alternative has been used from time to time. I suspect that the apparently anomalous consequence of all companies raising new equity capital by rights at a large discount would be to depress the market to a level where the supply of takers would dry up, but proof of this particular pudding could only be in the eating.

*Alexander Scrimgeour
The Stock Exchange, E.C.2.*

Banks' support for exports

From The Assistant Director, Banking Information Service

Sir,—On May 29 your industrial staff reported statements from the *Engineering Industries' Association* criticising the Government, the CBI, nationalised industries, the Export Credit Guarantee Department and the banks, for a variety of deficiencies. The banking industry in particular was singled out for directing "the bulk" of its lending to property companies and developers in *preference to supporting exporters.* This statement was not supported by any facts.

From the clearing banks' point of view the statistics (which are available through the Central Statistical Office to all, including the EIA) contradict this statement. In addition the banks have unfailingly supported the official line in making export finance their first priority.

In May, 1976, of a total domestic lending figure of £16.8bn., £6.1bn. went to the manufacturing and other production industries while a further £4.7bn. was provided for the services category—in all 64 per cent. of the total. This figure does not include finance made available for exports under the ECGD scheme. In contrast, only *£1.4bn., representing 8 per cent.,* was advanced to property companies.

On the question of profits, both the Prime Minister and the Chancellor have, in recent weeks, stressed the necessity of maintaining a profitable private sector. Profitability is one of the cornerstones of confidence and it is this confidence, shared by depositors both here and abroad, which ensures that London retains its place as one of the *two most important and respected financial centres in the world.*

Inaccurate misguided statements of the type by the EIA provide little comfort for our international financial friends on whose continuing support we must rely for some time to come.

M. N. Eden.
10, Lombard Street, E.C.3.

Sales of reactors

From Mr. D. Streeton

Sir,—Although one can only speculate on what might have happened if the U.K. had built light water reactors (LWRs) instead of advanced gas-cooled reactors (AGRs) we *can*, however, draw some conclusions from countries that have adopted LWR technology.

Mr. H. Hunt (June 2) mentions delays in the construction of some LWRs in the U.S. This is true, but these delays are more to do with changing licensing requirements and the actions of anti-nuclear groups than with technical deficiencies.

In other countries, notably Germany, Switzerland and *Japan, the construction record* of LWRs has been, and remains excellent. Another important factor which has benefited some countries that have imported LWR technology is the opening-up of export markets. In the past two years Germany has won major contracts in Brazil and Iran, while France has obtained large orders in the Middle and Far East, and just recently in South Africa. In comparison this country has not sold a power reactor abroad for the past 16 years.

Without doubt the U.K. has made major contributions to nuclear power technology, and, as Mr. Hunt rightly states, we should be proud of this fact. We must not, however, lose sight of the fact that commercial reward, in the fullest possible sense, must be the end product of any successful technology. In this regard we can learn very much from the experience of others.

Derrick Streeton.
*39 Leasway
Westcliff on Sea,
Essex.*

To-day's Events

GENERAL

Public sector borrowing requirements (first quarter) published.

Mr. Ron Hayward, general secretary, Labour Party, addresses Post Office Engineering Workers Union conference, Blackpool.

General and Municipal Workers' Union conference, Bournemouth.

National and Local Government Officers' *conference*, Eastbourne.

Sir Lindsay Ring, Lord Mayor of London, attends Wheelwrights' Company dinner, Mansion House.

Dialogue at St. Margaret's, Westminster, 1 p.m., between Rev. Joseph McCullough, Rector of St. Mary-le-Bow, Cheapside, and Miss Iris Murdoch, writer

PARLIAMENTARY BUSINESS

House of Commons: Two-day debate on Conservative censure motion ends.

Commons Select Committee, Race Relations and Immigration. Subject: The West Indian Community.

House of Lords: Rating (Charity Shops) Bill and Local Government (Miscellaneous Provisions) Bill, committee. Atomic Energy Authority (Special Constables) Bill, third reading. Education (Scotland) Bill, consideration of Commons amendments. Debate on EEC report, Schooling of Migrant Children.

COMPANY RESULTS

Electronic Rentals Group (full year). Guthrie Corporation (full year). Ozalid Group Holdings (full year). 600 Group (full year). Tate *and Lyle (half-year).*

COMPANY MEETINGS

Allebone and Sons, Kettering, 12. Automotive Products, Grosvenor House, W. 12. BSG International, Birmingham, 12. Cadbury Schweppes, Great Eastern Hotel, E.C., 12. Dale Electric, York, 12. Dutton-Forshaw, 5. Belgrave Square, S.W., 12. Ellis and Goldstein, Barrington House, E.C. 12. Laporte, Winchester House, E.C., 12. Manchester Liners, Manchester, 12.30. Neill (James), Sheffield, 12. Portsmouth Water, Havant, Hants, 12. Viscose Developments, Swansea, 12.

MUSIC

London Symphony Orchestra, *conductor Claudio Abbado*, with Janet Baker (*mezzo-soprano*) *perform* Mozart (aria from La Clemenzia di Tito), Mahler (*Des Knaben Wunderhorn — excerpts*) and Bruckner (symphony No. 7 in E), Royal Festival Hall, S.E.1, 8 p.m.

COMPANY NEWS + COMMENT

Charrington, Gardner ahead to £3.34m.

INCREASED pre-tax profits from £2.90m. to £3.34m. are reported by Charrington, Gardner, Locket and Co., for the year ended March 31, 1976. First-half profits had risen from £1.24m. to £1.46m.

Earnings per 25p share are shown as 4.25p (3.83p) and a net dividend of 1.86p makes a total of 2.86p against 2.6p previously.

	Year 1975-76 £000	1974-75 £000
Wool sales	39,757	38,063
Fuel oil	55,171	48,512
Builders' Merch.	12,910	10,257
Vehicle prod.	29,494	25,506
Transport, shipping, etc.	12,465	11,879
Sheep farming	2,011	2,111
Computer services* and Property	182	215
Total sales	152,963	136,543
Profit	1,806	1,751
Fuel oil	1,865	906
Builders' merch.	344	547
Vehicle prod	426	119
Transport, shipping, etc.	740	742
Sheep farming, etc.	82	573
Computer servs. and prop.	108	32†
Total profit	4,765	4,455
Associates	125	32
Interest	1,549	1,496
Profit before tax	3,341	2,989
Tax	1,749	1,552
Net profit	1,592	1,438
Minorities	—	1
Pref. div.	9	9
Ordinary div.	1,064	989
Retained	517	457

* Computer services sales to other members of the group of £241,000 (£170,000) are not included. † Loss.

● comment

Charrington's pre-tax profits rose 12 per cent. last year and the rise in wool prices should mean recovery in that division for the current year; sheep farming contributed an eighth of profits before interest in 1974-75. However, profits are still not showing a good return, with earnings of just 7.9 per cent. on shareholders' funds last year. This could hardly enable the company to keep pace with inflation if it all was retained. But most of the earnings *are distributed (as the low dividend cover of 1.5 shows).* This year a large sale of property has been used to preserve liquidity but this sort of measure cannot, presumably, be repeated indefinitely. The directors have increased the dividends this year —which might account for the rise of 3p to 33½p yesterday, where the yield of 13.9 per cent. is the major prop to the share price.

Bankers Trust tops £0.85m.

NET REVENUE of the Bankers' Investment Trust increased from £848,758 to £853,100 in the year ended April 30, 1976, after all expenses and tax of £545,186 against £567,135.

Gross income amounted to £1.54m. compared with £1.55m.

Stated earnings per 25p share are 2.067p (2.078p) and a net final dividend of 1.1625p makes a total of 2p compared with 1.90506p previously. *Net asset value is 64.9p (56.7p) per share.*

It is proposed to pay the Ordinary dividend in future in quarterly instalments in November, February, May and August. The first quarterly instalment of 0.5p per share will be paid on November 30 this year.

INDEX TO COMPANY HIGHLIGHTS

Spencer Clark Metal downturn

ON A TURNOVER down from £2.73m. to £2.24m., pre-tax profit of Spencer Clark Metal Industries contracted from £320,000 to £184,000 in the half year to March 31, 1976. The figure for the year to September 30, 1975, was £748,262.

While there are definite signs of a revival the second half will not show the upturn in the record profitability attained in 1974-75, *the directors state.*

Capital expenditure estimated at £400,000 is in hand and projects which will enhance prospects in which they have great confidence, they add.

The interim dividend is lifted from 0.8p to 0.88p net per 20p share. Last year's total was 1.95p.

Elson and Robbins well up so far

PROFIT of Elson and Robbins rose from £429,218 to £645,848 during the first half to March 31, 1976, subject to tax of £339,817, compared with £213,999. Turnover was up from £4.1m. to £5.12m.

The interim dividend is being raised from 1p to 1.1p net. Last year's total was 2.547p from profit of £0.81m.

The company makes springs and spring assemblies for seating and mattresses, and vinyl foam.

Capital Annuities payment

Policyholders in *Capital* Annuities are to receive an interim payment of 70 per cent. of the amounts previously received.

However, Mr. P. Shewell of Coopers and Lybrand, special manager to Capital Annuities which petitioned for its compulsory winding up on April 30, says in a letter to policyholders that payments will not be made for early surrender of policies.

But where policyholders have already opted to receive 4 per cent. of the purchase price of High Income Surrenders each six months, they will continue to receive payments also at 70 per cent.

Mr. Shewell reminds holders that the Policyholders Protection Act 1975 is now in force which means that they will receive at least 90 per cent. of their claims, and that the hearing of the company's petition is due on June 14.

Kwik-Fit Tyres turns in £0.34m.

A TURNROUND from a loss of £679,969 to a pre-tax profit of £339,715 is reported by Kwik-Fit (Tyres and Exhausts) Holdings for the year to February 29, 1976.

A final dividend of 0.75p per 25p share makes a total of 1.25p net, against nil. Earnings per share, of continuing operations before goodwill write-off, were 4.49p (3.68p).

The policy of discontinuing certain operations was successfully implemented and the provisions made a year ago have proved adequate, the directors state.

Expansion of Kwik-Fit tyre and exhaust fitting stations continues. At present 31 depots (including two in Holland) are in operation, compared with 22 at the same time last year. The Dutch subsidiary, Dorsman, made the anticipated improvement in its second half.

	1975-76 £	1974-75 £
Group turnover*	5,545,465	4,256,438
Profit	339,715	†679,969
Net profit	170,424	†516,750
Off goodwill	12,600	2,665,219
Tax charged	169,291	‡163,189
Dividends	49,836	—

* Continuing operations. † Loss. ‡ Credit.

● comment

Kwik-Fit's more than £1m. turnround to profits was mainly achieved in the second half and was in spite of some £30,000 of start-up costs on eight new retail outlets. A 20 per cent. increase in volume sales in the U.K. during the first quarter of the current year is encouraging further expansion plans, particularly in the tyre and exhaust retail division which is benefiting from the British motorists' continuing tendency to hold on to used vehicles. These expansion activities coupled with other efficiency measures should help to improve margins this year providing growth is maintained in volume sales. Meanwhile, net assets have nearly doubled to £580,000 where overall borrowings are down by around £400,000. The shares at 32p yield 8 per cent. covered more than 3½ times and the p/e is 7.

Record £1.03m. by Rowlinson

IN A BUSY and successful year to March 31, 1976 with turnover almost doubled, pre-tax profit of Rowlinson Constructions Group expanded from £421,081 to a record £1,026,517. When reporting first half profit up from £103,600 to £321,300, *the directors said they* expected an improvement in the second half over the first.

And they state funds are available for further expansion of activities in the current year.

The dividend is stepped up from 1.84p to 2.005p net per 10p share with a final of 1.405p. There is a dividend waiver of £22,637 (£15,154).

Tax absorbs £550,160 (£221,400).

● comment

Rowlinson has followed its 210 per cent. jump in interim pre-tax profits with a second half rise of 122 per cent. and this sent the shares 3p higher yesterday to 48p where they yield 6.6 per cent. Turnover increased by 83 per cent. over the year and while this included several sizeable sales on the industrial and commercial side the main boost appears to have come from the high level of local authority housing completions. This looks like providing a good deal of impetus in the current year following the group's recent acceptance of a £13m. local authority housing contract which is exected to pay off over the next two years. The residential housing side is still fairly depressed but this is a relatively small part of the overall business and is unlikely to prevent further significant profits growth in 1976-1977. Moreover, with the overdraft—£243,000 a year ago—now repaid, the medium-term loan reduced to £160,000, and cash balances now standing at around £340,000, the group should be well equipped to finance any further expansion activity.

M & G Second Dual Trust

M. and G. Second Dual Trust is raising its dividend from 3.5p to 3.88p net per 10p income share for the year to May 31, 1976 with a final of 1.78p.

Pre-tax revenue was £500,700 (£531,186). Tax takes £206,844 (£180,348).

Westland-Aerospatiale Lynx lands on HMS Sheffield, the new type 42 destroyer. Designed by Westland Helicopters, Lynx is an Anglo-French project which is already proving an export success. (Interim report Page 21.)

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Armitage Shanks	2.25†	Aug. 5	1.95	4.2	3.96
Bankers' Investment	1.16	July 28	1.07	2	1.91
Charrington Gardner	1.86	July 30	1.9	2.86	2.6
Great Portland Estates	2.55	Sept. 2	2.25	3.55	3.25
Inch Kenneth Rubber	0.88	July 7	0.58	1.21	1.11
Kwik-Fit Tyres	0.75	—	Nil	1.25	Nil
M. and G. Second Dual	1.78	July 16	1.6	3.88	3.5
Thos. Marshall 2nd Int.	2.25	Oct. 1	2.05	3.52	3.24
Nthn. Goldsmiths	3.15	Aug. 7	3.18	5.15	4.68
Rand Selection int.	30(a)	—	32	—	75
Rowlinson Constructions	1.41	July 19	1.28	2.01	1.84
Scot. American Inv. int.	0.6	July 30	0.6	—	1.8
Spencer Clark Metal int.	0.88	July 14	0.8	—	1.95
Triefus	2.29	July 23	2.09*	2.29	2.09*
United States & Gen. int.	1.43	July 15	1.4	—	4.29
Westbrick Products	1.66	July 30	1.45	2.66	2.45
Westland Aircraft int.	1.23	July 22	0.97	—	2.59

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) South African cents.

Bremner in good position

THE STRENGTH and stability of Bremner and Co., general warehousemen, allows it to take advantage of suitable opportunities, Mr. J. T. Bremner, chairman, tells members in his annual statement.

In the light of difficulties experienced during the year to January 31, 1976, he believes that the results—as reported May 1—were "satisfactory." Pre-tax profit declined from £0.62m. to £0.59m. and dividends are up *from 3.3p to 3.6p net.*

In their report, the directors say they believe that the market value of freehold property is substantially in excess of the balance-sheet cost of £0.45m.—they have instructed an independent professional valuation.

At May 7 Throgmorton Street Nominees held 10.9 per cent. of the Ordinary.

Meeting, Glasgow, July 1, 10.30 a.m.

T. & A. Naylor to be run down

Efforts by the receiver, Mr. Alistair Jones of Peat Marwick Mitchell, to sell as a going concern the business of Axminster carpets group, T. and A. Naylor, have proved unsuccessful. Accordingly he says he has no alternative to an orderly run down of the company's trade.

Approximately 180 employees will be made redundant and Mr. Jones says further redundancies are inevitable. Dealings in the company's shares were suspended on May 19.

PDL back in operation

Polythene Drums, one of Britain's largest producers of blow moulded containers, which ceased trading on March 31 following three months of receivership, is *back in operation.* Mr. P. Lakhani completed the £0.5m. deal in three weeks to form Polythene Drums (Lancashire), with Mr. K. James as its executive director.

Although turnover had slipped below £2m. at the time of the close-down, all the indications are that the company would be trading profitably within three months, says Mr. James.

Once initial targets have been reached, PDL will be looking to diversify into other markets using its existing technology.

Northern Goldsmiths setback

RETAIL jewellers, Northern Goldsmiths Company, reports pre-tax profits of £303,472 for the year ended February 28, 1976, compared with £452,830 previously. Turnover amounted to £2.68m. against £2.73m.

Stated earnings per 25p share are 15.56p (22.31p) and the net final dividend is 3.1451p making a total of 5.1451p compared with 4.6774p. A two-for-one scrip issue is also proposed.

The year's profit includes an exceptional credit of £15,734 (nil). After tax of £158,815 (£237,744) net profit is £144,657 against £215,086 before an exceptional debit of £10,001 (nil).

Armitage Shanks recovering

ON RECORD turnover of £31.06m., compared with £24.93m., pre-tax profit of Armitage Shanks Group improved from £1.8m. to £2.7m. during the 53 weeks ended April 3, 1976—this is about £1.1m. below the peak £3.84m. achieved in 1973/4. In the first half profit was little changed at £1m. (£1.1m.).

At the trading level, profit was up from £2.22m. to £3.23m.—the overseas contribution, notably from Australia, was equivalent to about 35 per cent. of that earned from U.K. activities.

The directors point out that although the first quarter was disappointing, turnover in all divi*sions came back strongly despite* increasingly competitive conditions.

Final dividend is 2.25p per 25p share on increased capital and lifts the total from 3.96p to 4.2p—the Ordinary shares go ex-dividend on June 28. In January the directors forecast a 1.95p final for which Treasury consent had been obtained.

The rights issue strengthened the balance sheet and enabled the company to hold higher levels of stock which made it possible to maintain the skilled work-force and put it in "a good position to meet the demands of an upturn in the market." The net bank overdrafts at the year-end totalled £1.46m. compared with £3.9m.

Acquisition of 60 per cent. of the equity of Harrison-Monobond gives the company access to highly specialised plumbing fittings in *plastics* and *enables it* to reorganise manufacturing facilities at Solihull where plans for the expansion of Trolex Acrylic baths have been restricted due to shortage of space.

	1975-76 £000	1974-75 £000
Turnover	31,058	24,930
Trading profit	3,234	2,218
Loan stock int.	66	65
Debenture int.	34	36
Bank int.	432	318
Profit before tax	2,702	1,799
Taxation	1,450	925
Net profit	1,252	874
Minority holders	68	127
Extraord. credits	12	23
Dividends	794	656
Retained	402	106

● comment

Armitage Shanks is 50 per cent. ahead pre-tax after a 9 per cent. fall at mid-term, thanks to a strong recovery in Australia and buoyant trading in the U.K. in the second half. The 144 per cent. jump in the latter period is much more than the company had expected at the time of the rights issue in January and it has raised the final dividend by 15 per cent. against a forecast maintained net figure of 1.95p. The shares rose 4½p to 59p where the p/e is 8.7 and the yield 11.4 per cent., covered 1½ times. Although current trading conditions are better than a year ago, the company is chary of looking too far ahead given the short order books. South Africa remains flat while Australia is maintaining its buoyancy. However, the 67½ per cent. reduction in net bank overdrafts should lead to a big drop in interest charges this year while some benefits should be forthcoming from the company's recent acquisition of the Harrison-Monobond stake.

GRA scheme approved

SHAREHOLDERS of GRA Property Trust and creditors of the GRA Group companies have approved the proposed scheme of arrangement which now goes for approval by the High Court on July 12.

Resolutions proposed at two extra-ordinary meetings of GRAPT, firstly to alter the borrowing powers of the company and secondly to reduce the nominal value of the Ordinary shares to ½p, were also passed with majorities of more than four-fifths. In the 15 creditors meetings, 14 of the acceptances were unanimous.

The way now seems clear for the company to avoid liquidation and to attempt to pay off debts incurred through property development from trading profit made by the group's 11 greyhound racing tracks. The scheme was made possible by the major secured creditors led by the ICI pension funds, which were owed £11.1m., agreeing to "stand back" from their security on the greyhound tracks to keep the company afloat and make repayments to unsecured creditors.

Revenue prospects have been improved by an agreement, in principle reached with Stock Conversion that GRAPT will remain in occupation of the White City Stadium, London, for one to three years beyond December 1978. White City is contributing approaching a quarter of the group's available trading income.

Mr. E. J. Aaronson, chairman, said that internal management accounts for the six months to April this year showed operating profits from greyhound activities at £690,000, with track income 8 per cent. higher than the same period last year. There could be "some further modest improvement" in the second half.

After exceptionally high administrative expenditure, due to preparing the scheme of arrangement, of £269,000, and after crediting other income of £57,000, trading profit for the half year was £478,000.

After charging net interest payable of £1.06m. (the group restarted paying all due interest *on January 1), less income from* investments of £162,000 and profit on asset disposals of £288,000, the group loss for the period was £132,000.

Property sales since October 1975 had realised £912,000, of which £648,000 has been paid to secured creditors. The stake in Brighton and Hove Stadium realised £311,360 of which all but *£6,720 was paid to Pension Funds* Securities (the ICI pension funds).

With the further sale of a holding in Totalisator and Greyhound Holdings, asset realisations since October last year were nearly £1.3m.

Mr. Aaronson said yesterday that there now seemed "every reasonable expectation" that *Pension Funds Securities could* be paid a total of £1m. by next June, over £300,000 having already been provided. The funds have the right to cancel their support for the scheme if GRAPT cannot pay the £1m., apart from any proceeds from the sale of the Coral Leisure Group stake on which they hold security.

ISSUE NEWS

Viking Oil

Viking Oil proposes to raise £1m. by way of a rights issue of 1,050,000 new Ordinary £1 shares *on the basis of one-for-one at par.* The rights is payable as to 30p on application not later than June 30 and the balance being subject to call on 14 days notice.

A circular has been sent to shareholders rejecting the approach from Cambridge Petroleum Royalties of 130p per share and an option to acquire 1 fully paid share in Cambridge exercisenble any time on or before December 31, 1977 at 170p per share, or one fully paid share in Cambridge.

Viking also announces that there is a change of plan regarding its drilling programme and the first well is to be drilled by the operator in Block 16/12 instead of Block 211/8.

Further the company announces a change in the managers and secretaries to Bank of Scotland Finance instead of Edward Bates and Sons.

SUNDERLAND SUCCESS

Sunderland and South Shields Water Company's offer for sale by tender of £3m of 8 per cent. Redeemable Preference Stock 1981 attracted applications for £6,048,500 of stock.

The minimum tender price of the offer was £97.50. The lowest tender to receive partial allotment was priced at £97.78, and the average price obtained was £97.963 with the highest price at £100.

Dealings commence to-day. Brokers to the issue were Seymour Pierce.

Westland still expects to top £7.2m.

IN THE FIRST six months of the financial year, with volume of turnover of **Westland Aircraft** has risen considerably, with most of the increase in Westland Helicopters. *Special efforts to increase the profitability of the helicopter company are showing results in many areas say the directors*, and they continue to expect that pre-tax profit for the year to September 30 will exceed the £7,204,000 earned in 1974-75.

The first production Lynx helicopter has now been delivered, and the build-up of the assembly line is proceeding to programme. Further export orders for the Naval variant have been obtained from Holland and Argentina.

Deliveries of Sea King and Commando helicopters and spares to export customers and the British Government continue. Negotiations are well advanced for further export orders of the Commando Mark 2.

As a result of work-sharing arrangements with Aérospatiale, the group continues to receive orders for Gazelle and Puma components and spares. Export orders received by Aérospatiale for both these types now exceed the orders from the British and French Governments.

The sixth SR.N4 hovercraft, which is being built at Cowes for operation by Hoverlloyd, is proceeding to programme and the main structure is nearing completion.

An order has been received from the Egyptian Navy for additional work on their three SR.N6 craft and orders for further craft are being discussed.

On environmental control and allied products, the directors report that the broadening of the range of activities of Normalair-Garrett continues, and the company's marketing organisation is being enlarged accordingly. Deliveries have been maintained at a satisfactory level.

The first production orders for the Tornado (MRCA) have now been received. "We expect that the supply of new equipment for this aircraft will be a substantial part of our manufacturing load for many years to come."

The volume of sales of Westland Engineers' products has increased both in the home market and in exports to Europe through Westland EMG. However, results of efforts to improve the sales of Westland EMG SA products have been disappointing.

The directors have decided to apply the whole of the permitted increase in dividend to the interim lifting it from 0.967p to 1.22614p per 25p share. If present *restrictions remain unchanged* and in the absence of unforeseen circumstances the final payment will be an unchanged 1.62435p.

See Lex

Westbrick Products pays more

SALES FOR the year to March 31, 1976, of **Westbrick Products** increased from £7.11m. to £8.23m., while pre-tax profit decreased slightly from £429,000 to £400,000, after £253,000, against £292,000, for the first half.

Earnings per 25p share were down from 4.2p to 3.6p for the year, and the dividend is stepped up from 2.448p to 2.659p net, the maximum permitted, with a final of 1.650p.

	1975-76 £000	1974-75 £000
Sales	8,232	7,113
Central costs	142	103
Interest	139	116
Minorities	6	21
Pre-tax balance	400	429
Taxation	234	248
Extraordinary loss	19	13
Attributable	147	173

£1.14m. by Thomas Marshall

Profits before tax of clothiers, Thomas Marshall Investments amounted to £1.14m. for the 53 weeks ended April 3, 1976 compared with £1.15m. previously. First half profits had risen from £639,000 to £701,000.

When announcing the offer by William Baird and Co. last month, the directors of TMI estimated that the year's profit was closely in line with that of the preceding year.

Stated earnings per 25p share are 12.1p (14.7p). A net second interim dividend (in lieu of final) of 2.254p makes a maximum permitted total of 3.519p compared with 3.235p previously.

The directors say that in the current year it is anticipated that the increased cost of imported garments will result in increased demand for the group's U.K. manufactured garments.

The results were achieved in spite of difficult trading conditions in the last four months of year — in particular margins on imported goods were affected by falling value of the pound.

Documents in respect of the Baird offer have now been issued. TMI shareholders have been recommended by the Board to accept.

Fine Art growth prospects

ANOTHER successful year and a further increase in profits is hoped for by Mr. F. R. Kerry, chairman of **Fine Art Developments**, in his annual review.

The future depends to a very large extent on the ability of government to reduce the rate of inflation and he says that industry must be given positive incentives to create real profits.

As reported *May 26*, sales for the year ended March 31, 1976, increased by 30.4 per cent. to £26.71m. and pre-tax profit was up by 22.3 per cent. to £2.77m. Dividends are up from 1.0154p net to 1.1085p.

According to Mr. Kerry, the results are a reflection of the growth in the mail order field.

In Europe there were improvements in sales and profits and to assist in *development, a holding company, Findel Europe BV has* been formed. In Australia, remedial action is being taken to ensure future profitability.

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CENTRAL PROVINCE

The task in considering diversification by **Central Province Ceylon Tea Holdings** has not been made easier by the impossibility of assessing the assets which will be available in the U.K., and not in Sri Lanka as inadvertently reported on June 8.

Phoenix first quarter jump

IN THE first quarter to March 31, 1976, profits of **Phoenix Assurance** increased from £2.88m. to £4.73m. before tax of £1.83m. compared with £0.7m. For 1975 the pre-tax surplus was £18.2m.

First-quarter net premiums written came to £73.07m. (£59.17m.) for fire, accident, marine and aviation. Investment *income was £6.52m. (£5.19m.)*, and the underwriting loss for fire, accident, marine and aviation £1.96m. (£2.49m.). Long-term underwriting profits added £426,000 (£363,000), expenses took *£248,000 (£203,000)*, and the attributable balance was £2,343,000 (£1,674,000) after minorities of £558,000 (£482,000). Earnings are shown at 4p (3.43p) per 25p share.

As for new long-term business, new sums assured were £263m., new annuities per annum £0.9m., new annual premiums £2.0m., and *new single premiums £0.8m.*

Mr. R. K. Bishop has been *appointed to the Board*.

Statement Page 22

See Lex

Upturn at Ocean Wilsons

PROFIT OF **Ocean Wilsons (Holdings)** rose from £1,610,212 to £1,967,639 in the year to January 31, 1976, before tax of £734,601, *against £500,690. When reporting* first-half profits up from £767,398 to £967,852, the directors stated that an improvement was expected *given a continuation of the* economic climate in Brazil.

As expected, dividend total is the maximum permitted 2.30574p net (2.12398p), with a final of 1.30574p—earnings per 20p share are up from 16.77p to 18.33p.

Turnover for the year was little changed at £30.52m. (£30.71m.). Capital profits of £79,835 after tax, on realisation of investments, are *not included in group profits.*

Peak £2.6m. from Great Portland

GROSS RENTAL income of **Great Portland Estates** expanded from £4.7m. to £6.5m. in the year ended March 31, 1976, and revenue was up from £1.42m. to a record £2.65m., subject to tax of £1.22m., compared with £0.69m.

Stated earnings per 50p share are ahead at 6.2p, against 4.2p and a final net dividend of 2.5465p raises the total from 3.254p to the maximum permitted 3.5465p.

Revenue available for appropriation is £1.7m. compared with £1.25m. and includes £270,000 (£385,000), equal to the outgoings for the year attributable to properties in the course of development. An amount of £292,775 (£430,623) has been charged to pre-tax revenue for exceptional repairs arising on the refurbishment of buildings.

Net revenue in 1974-75 included an extraordinary credit of £130,500—there is no comparable adjustment in 1975-76.

New auditors qualify A. Gunn accounts

THE ACCOUNTS of **A. Gunn (Holdings)**, in which Hewden-Stuart Plant took a 74 per cent. interest last autumn and which was the subject of a lengthy *statement by the chairman of* Hewden-Stuart in April concerning substantial inaccuracies and inadequacies in financial records, have been heavily qualified by its new auditors.

A. Gunn incurred a trading loss of £64,413 in the 10 months to February 1, 1976, and in addition, extraordinary and non-recurring charges to the profit and loss account of £842,038 before tax relief were made for the year.

The auditors, Arthur Young McClelland Moores and Co., are unable to say whether the profit and loss account for 1975-76 gives a true and fair view as "there have been breakdowns in the accounting systems of some group companies and while all adjustments for fundamental errors which have been identified *as relating to prior periods* have been treated as such, we are unable to satisfy ourselves that the results for the period do not include other items relating to prior periods which have not *been identified*."

They go on to say that since the accounts for the year ended March 31, 1975, have not been restated for the "fundamental errors" made in prior periods, the accounts for that year, which are required to be shown by the Companies Acts 1948 and 1967, "are neither consistent with the accounts for the current period nor are they fairly stated."

In his statement as chairman of A. Gunn, Mr. Matthew Goodwin, the finance director of Hewden-Stuart, who was appointed finance director of Gunn following the resignation of Mr. David Hanson in December, and chairman in March when Mr. J. A. Gunn resigned on the grounds of ill health, explains the background to the events.

In November, 1975, *certain* matters came to the attention of the Board, Mr. Goodwin writes, as a result of which they instructed an investigation to be carried out into the affairs of the group by Downie Wilson and by Arthur McClelland Moores, the latter being appointed following the resignation of Wheawill and Sudworth in December.

This *investigation revealed* "grave inaccuracies and inadequacies" in the accounting records of those group companies whose financial affairs were based on the accounting centre at Altrincham and "unreliability in the internal management figures submitted to the group." In a number of respects also, the records did not comply with the requirements of the Companies Acts, 1948 and 1967.

Mr. Goodwin also says that "it is apparent that the financial accounts submitted to you in previous years contained fundamental errors" and that "the offer documents of July 18, 1975, would not have been approved by your Board had they been aware of the facts which have now emerged."

The *extraordinary* charge of £842,038 before tax relief is summarised in the accounts as to £239,418 relating to the adoption of Hewden Stuart depreciation policies, £491,852 of identifiable costs relative to previous years now written off, reorganisation costs of £65,768 and a provision for setting up losses of French associate companies.

Empire Stores sales ahead

At the annual meeting of **Empire Stores (Bradford)**, the Chairman, Mr. M. Wells, told shareholders that the first three months sales had risen by more than 17 per cent.

The economic climate was still difficult he continued, "but I feel justified in hoping for a successful first half of the year. It will be our policy to pay the maximum dividend increase allowable under *present Government regulations*."

MULTI LOAN FACILITIES

Both **Nineteen Twenty-Eight Investment Trust** and **City and International Trust** have arragned multi-currency loan facilities of $U.S.1m. and $U.S.½m. respectively. Nineteen Twenty-Eight's facility has been arranged with Hill Samuel and Brown Harriman and International, and raises total foreign currency borrowings to $U.S.3½m. City and International's facility has been arranged with Hill Samuel, and raises foreign currency borrowings to $U.S.1.65m.

In both cases the arrangements are for a maximum of five years with interest linked to the London Euro-currency inter-bank rate. It is intended to draw the facilities in Euro-dollars.

MINING NEWS

Sailing orders for the U.K. tin companies

BY KENNETH MARSTON, MINING EDITOR

THE START of the expected mass exodus of tin mining companies' control from London to Malaysia comes with the news that U.K. Treasury consent has been given in principle for a change of domicile to be made by **Tronoh Mines, Ayer Hitam and Sungei Besi.**

It will mean that present holders of the shares will exchange them for an equal number of shares in new Malaysian companies. U.K. holders will thus obtain the benefit of the investment dollar premium when they sell their shares here in the new companies (to be quoted in London and Kuala Lumpur) but only to the extent of 75 per cent. of the proceeds. At present the net dollar premium is 47½ per cent.

Such, however, are the curious workings of our exchange control authorities, that U.K. buyers of these still London-registered shares will, from to-day, have to pay the dollar premium. But if they sell the shares before the Malaysianisation scheme goes through they will not receive the dollar premium.

Charter Consolidated has a beneficial interest of 29.7 per cent. in Tronoh, 16.4 per cent. in Ayer Hitam and 6.3 per cent. in Sungei Besi. Charter has agreed with the Malaysian Government's **Pernas Securities** to a transaction whereby both companies will transfer the majority of their Malaysian tin shares to a new Malaysian company, **New Tradewinds.**

The latter will be owned as to 71.35 per cent. by Pernas and 28.65 per cent. by Charter in line with their respective share contributions. Meanwhile, it is stated that consideration is being given to the declaration of dividends by the U.K. tin companies involved before the domicile change schemes become effective.

Apart from the obvious benefits to U.K. shareholders of the dollar premium gain and the eventual escape from British dividend limitation, the proposals also solve the problem of meeting Malaysian aims of greater domestic ownership of the tin industry which, in turn, should strengthen the companies' future operating prospects. But they may further slacken the grip of the U.K. on its lifelines of raw materials.

London Tin take-over

The U.K.-registered tin mines in the **London Tin group**—notably **Kamunting, Malayan Tin, Southern Malayan and Southern Kinta**—can also be expected to emigrate following the news that the proposals have at last been finalised for the take-over of London Tin by Pernas.

The London Tin shares are to be transferred to a new Malaysian company, **London Tin (Malaysia)**, each holder of the present London Tin capital to be given in exchange the same number of shares in the new Malaysian company. London Tin is also to make a one-for-one scrip issue. New Tradewinds will offer to acquire these U.K. entitlements to London Tin (Malaysia) shares at 6.04 ringgits per share. This equals around 187p when the full investment dollar premium is taken into account. London Tin were 170p yesterday.

Rand Selection paying less

THE **Anglo American Corporation** group's gold share holding company, **Rand Selection**, points to the anticipation of lower dividend income and thus does not expect that profits for the full year to next September will match the R48.1m. earned in 1974-75.

So despite maintained half-year profits of R20.3m. (£13.6m.) compared with R20.1m. a year ago, Rand Selection is reducing its interim by 2 cents to 30 cents (20.1p) on the 42.25m. shares in issue.

A total of 75 cents was paid for 1974-75 on the 41.77m. shares then in issue. The net asset value of the shares at March 31 last was R15.83 (£10.60). They were 590p in London yesterday.

W. DEEP FIRE SEALED OFF

Attempts to extinguish the fire which broke out last Sunday at the **Anglo American** group's **Western Deep** gold mine have proved to be unsuccessful and the area 2,500 metres below surface of 86 level No. 3 shaft has been sealed off.

The four missing proto (emergency) team members are now presumed dead and efforts to recover their bodies have been suspended. The remaining proto teamh have been withdrawn and the effect on production is still not known. Western Deep were £10¾ in London yesterday.

ROUND-UP

The Australian Government is considering releasing some of its stockpile supplies of uranium to Australian companies to meet overseas contract requirements.

The Federal Cabinet discussed the issue yesterday, but Government sources said it failed to reach agreement. At least two mining groups with uranium deposits, **Peko-EZ and Queensland Mines**, have asked the Government to consider releasing supplies to be returned to the stockpile later.

* * *

Wage increases for the 12,000 black workers employed on the South and South West African mines of the De Beers Group were announced yesterday, effective from June 1. The minimum increase is R12.70 (£8.50) a month. The minimum basic wage in the various mines of the group now ranges from R92.50 to R105.10 a month. In the top operating category the highest rate becomes R406.00 a month. The average basic wage including increments for service is now estimated at R134.82.

* * *

One of the world's leading figures in the diamond trading industry, Mr. Joheph Goldfinger, has died in Israel, aged 53. He joined the Israeli diamond industry in 1944 and as the demand for gems grew so did the international company he founded and developed, Syndiam. It is now one of the largest purchasers of rough diamonds from **De Beers'** Diamond Trading Company.

* * *

The Philippines has enough copper to guarantee mining for the next 50 years even at the present rate of extraction, according to the *Bureau of Mines* there. Proven and possible deposits are put at nearly 3bn. tonnes of ore and further exploration is expected to lift this figure considerably.

Marks & Spencer sees continued growth

IN HIS annual statement, the chairman of Marks and Spencer, Sir Marcus Sieff, says the group has achieved a measure of progress at home and the Board has started developing the organisation for its new international role.

"If we guard established principles and standards we shall continue to grow and make good profits," he declares.

As reported on April 26, group turnover expanded from £721.25m. to £900.92m. in the 53 weeks to March 31, 1976, and profits before tax rose by 2.3 per cent. to £83.77m. after an increased pension scheme contribution of £10.65m. (£1.98m.). The dividend total is the maximum permitted 3.4546p (3.2372p) net.

Sir Marcus reports that in the U.K. the buoyant trading of the first quarter ended abruptly last July when strict pay guidelines, combined with the high level of inflation and taxation, reduced purchasing power. Clothing was particularly affected. Leading textile suppliers were met to discuss and agree reduced production programmes. This problem was aggravated by the need to reduce stocks. The object was achieved during the year and our suppliers can now be offered higher levels of production than in the immediate past.

Policy continues to be to support British industry and in the year over 93 per cent. of "St. Michael" clothing, footwear and home furnishings were made in Britain.

Sales of "St. Michael" clothing, footwear and home furnishings in the U.K. have grown by £92.10m. to £584.24m. and sales of "*St. Michael*" foods in the U.K. by £47.32m. to £255.71m.

Exports including those to overseas subsidiaries, increased by £3.33m. to £24.77m. "St. Michael" British-made goods are now exported to selected customers in 40 countries throughout the world, members are told.

Sales of the European subsidiaries totalled £7.69m. These operations included a full year's sales in Paris and Brussels of "St. Michael" textiles, almost all exported from the U.K., and the group has now introduced with some success limited ranges of British food specialities. M & S is now operating profitably in Paris and is making progress in Brussels: Lyons is not yet successful.

Sales of the Canadian group from August 15, 1975, when the acquisition was completed of 55 per cent. of Peoples Department Stores of Canada, to January 31, 1976, were £35.88m.

Total sales area at home is now 5,868,000 square feet, and abroad is nearly 2m. square feet. In the year, three new stores were built and 12 extensions completed in the U.K., totalling 136,000 square feet of new footage. The new store in the Brent Cross Shopping Centre has been "most successful." The group opened its third Continental store in Lyons, and built or converted 21 stores in Canada into Marks and Spencer units.

In the coming year, the building programme in the U.K. will add some 200,000 square feet of selling space which includes new stores in Fareham and Birkenhead, and nine important extensions. These include an additional floor in the premier store in Oxford Street, and major extensions in Bristol, Bradford, Bromley and central Manchester. Future developments include a major new store in High Street Kensington, opening in the autumn of 1977.

Meeting, the Dorchester, W., on July 7 at noon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: Finance and Industrial Trust, Vaal Reefs Exploration and Mining, Western Deep Levels.

Finals: Airflow Streamlines, Berkeley Hambro Property, A. Cohen, Crosby Spring Interiors, Electronic Rentals, Fashion and General Investment, Guthrie Corporation, Thomas Locker, Oxalid, Pegler-Hattersley, Queens Moat Houses, Pauls and Whites, 600 Group, Tunnel Holdings, Victoria Carpet.

FUTURE DATES

Interims—	
Cardiff Malting	June 16
Dobson Park Industries	June 16
Manbre and Garton	June 17
Turner Manufacturing	June 15
Finals—	
Ingersoll Group	June 11
M.K. Electric	June 23
Millbury	June 15
Property and Reversionary Investment Corporation	June 14
Triplex Foundries	June 15
Whitecroft	June 21

J. Harrison progress

Activities of **James Harrison Holdings** in the public and private housing sectors are proceeding smoothly and profitably and private house sales still maintain an encouraging level. The present steady building programme should be maintained during 1976, says the chairman, Mr. J. Liddell.

As reported on May 15, group pre-tax profit increased from £444,170 to £500,647 in 1975, and the dividend is 1.5397p (1.3997p) net.

The salary and terminal payment to the retiring chairman was £13,744.

J. Mowlem confident of growth

BASED ON the order book situation, in quality and volume, the overall outlook for **John Mowlem and Co.** "remains very good," states the chairman, Sir Edgar Beck, in his annual review.

In the U.K., while the current level of work in hand or in prospect is satisfactory, looking further ahead there may well be a period during which new work will be more difficult to obtain because of the economic situation and the cut-backs in public construction programmes which are part of the Government's planned reductions in the growth of public spending, he says.

Nevertheless he remains confident about continued progress, bearing in mind especially that overseas, increasing efforts are being made to obtain still more work of the right sort and the prospects appear hopeful of being able to do this.

In East Africa it now appears that there is an upturn in the work that is available. Recently some substantial contracts have been awarded on satisfactory terms and there are prospects of additional turnover.

In Saudi Arabia the partnership formed with a local company is "proceeding very well with its contract in Riyadh and providing a good level of profit." The formation of a local company is being actively considered.

A further expansion of activity in the United Arab Emirates is being energetically considered, and an early conclusion anticipated.

On April 23 it was reported that pre-tax profit for 1975 increased from £1.82m. to £2.33m. and dividends, on increased capital, are 4.434117p net, compared with 4.031016p.

A statement of source and application of funds shows an increase of £2.96m. in deposits, bank and cash balances (£0.88m. decrease).

Statement Page 21

RESULTS AND ACCOUNTS IN BRIEF

ABERDEEN INVESTMENTS—Results for year to March 31, 1976, reported May 19. Investments £595,474 (£629,687), including £571,355 (£558,756) in U.K. Exchanges at market valuation. Net current assets £79,080 (£127,824). Chairman confident of maintaining satisfactory results in current year which has already shown encouraging signs. Meeting, Aberdeen, on June 29 at noon.

ALLIED LEATHER INDUSTRIES—Results for 1975 already reported. Group fixed assets £2.96m. (£2.68m.). Net current assets £0.52m. (£0.51m.). Meeting, Grosvenor Victoria Hotel, S.W., on June 29, at noon.

BAINBRIDGE ENGINEERING—Results, 13 months ended March 31, 1976, already known. Group fixed assets £192,696 (£124,944 parent only). Net current assets £271,573 (£232,770). Meeting Bury (Lancs.), June 29, at 11.30 a.m.

CANADIAN AND FOREIGN INVESTMENT TRUST—Results for year ended March 31, 197 with net asset values reported April 22. Investments valued £10.06m. (£7.2m.). Income estimate for current year suggests that directors should at least be able to maintain gross dividend. Chairman, Mr. V. P. Brooks is to retire after AGM at 9 Bishopsgate, E.C., July 1, at 11.45 a.m.

CHANNEL TUNNEL INVESTMENTS—Pre-tax profit £29,717 (£20,799) for 1975, including income from quoted investments £5,146 (£5,022) income from unquoted investments £1,483 (£20,091) and interest receivable £27,267 (£1,255) and was after admin. expenses £7,179 (£5,200), loss on sale of investments nil (£340) and bank interest nil (£29). Tax £11,865 (nil). Extra-ordinary items less tax £244,323 (nil) have been transferred to capital reserve. Retained £41,705 (£20,799). Earnings per 5p share 2.84p (1.42p). Extra-ordinary items are profit on disposal of interest in the British Channel Tunnel Company £256,724 less expenses of issue of new share and repayment of capital £12,401. ETAOINII

CUMULUS INVESTMENT TRUST—Total revenue six months to March 31, 1976 £74,454 (£127,470 and £187,103 year to September 30, 1975). Interest and expenses £49,197 (£93,079 and £133,816), tax £12,410 (£7,447 and £4,458), net earnings per share 0.24p (0.51p and 0.85p). Net assets £1,749,682 (£1,491,752 at September 30, 1975 per Ordinary share 33p (28p). Following change of accounting policy adopted for 1974-75 results of wholly owned subsidiary, Coggan Smith and Co. are not consolidated. Unaudited results of that company for the six months ended March 31, 1976, show a net profit of £2,940 (£5,863 and £602 for year). Main reason for reduction in net earning is investment in U.K. equities of bond funds earning the high rates of interest available at that time. Since September 30 net assets attributable to the Ordinary increased by 15 per cent. Trust has continued its foreign currency borrowing of $700,000 and at March 31, 1976, the value of the underlying securities exceeded the amount of the loan by approximately $38,000. Valuation of net assets at March 31, 1976, includes where applicable 100 per cent. of the Investment Dollar Premium of 50¾ per cent. amounting to £169,505 (September 30, 1975, 54½ per cent.—£83,841). No provision made for tax on capital gains which may arise on future realisation of investments.

DORANAKANDE RUBBER ESTATES—Pre-tax profit for 1975 £8,093 (£1,534) after deducting share of associate company's loss £6,213 (£18,814). Tax £3,056 (£3,390). Profit after tax £1,037 (loss £2,065). Earnings per share 0.1363p (loss 0.27p). Final 0.7825p net (0.7150p) making total 0.95p net (0.8825p). Board expects to maintain dividend in current year.

ELSWICK-HOPPER (agricultural services, engineering, property)—Results for year ended January 31, 1976 with one-for-two rights issue and dividend forecast reported May 20. Fixed assets £790,856 (£644,757). Net current assets £805,830 (£457,545). Chairman says sales so far in current year showing considerable increase over corresponding period, with particular buoyancy in agricultural equipment sales. Present indications are that current year will mark further stage in growth of company. Meeting, 18a Chandos Street, W., July 8 at 12.30 p.m.

HARTWELLS GROUP (vehicle distributors)—Results year ended February 29, 1976 already known. Fixed assets £4.99m. (£4.69m.), net current assets £1.58m. (£1.45m.). At year-end overdrafts increased by £114,000 (£577,000 decrease). Chairman hopeful of increase in profit this year. Meeting, Oxford, July 2, 11 a.m.

HIELD BROTHERS (worsted cloth manufacturers, spinners, dyers and finishers)—Results for the year to April 4, 1976, reported May 15 with chairman's observations on prospects. Group fixed assets £1.41m. (£1.4m.). Net current assets £3.01m. (£2.92m.). Meeting, Brad-

HONGKONG (SELANGOR) RUBBER—Results 1975 already known. Fixed assets £145,136 (£143,132). Net current assets £26,802 (£26,400). For first four months of current year 96,163 kgs. rubber harvested (75,070 kgs.). Improvement in prices evident in second half of 1975 has continued into 1976 and, provided this is maintained, Board are hopeful of satisfactory improvement for year. Meeting, 1-4, Great Tower Street, E.C., June 25, at 12.30 p.m.

ford, on June 30, at noon.

LOWER PERAK TIN DREDGING BERHAD—Interim dividend 7½ cents per share, less 40 per cent. Malaysian income tax, in respect of the year ended April 30, 1976, payable July 16, 1976. Payment from the U.K. office will be made in sterling calculated at the rate of exchange ruling on July 1, 1976.

MAJEDIE INVESTMENTS—Group income six months to March 31 1976, £195,339 (£132,433). Profit £117,552 (£96,890), less tax £49,299 (£31,980) leaving £68,254 (£64,910). 1976 figures include subsidiary company's results.

BIDS AND DEALS

Sun Life now has 35% of Artagen

SPEAKING AFTER an uneventful Sun Life Assurance Society annual meeting yesterday, Mr. Philip Walker, chairman, said that his company had always intended to bid for Artagen Properties at some time. This had been the case since Sun Life took 25 per cent. of Artagen's equity as part of its £40m. funding agreement with the property company in 1973.

Asked if Artagen had been told of this intention at the time, Mr. Walker said it had not. Artagen might, however, have assumed that this was the long-term aim, he thought.

Mr. Walker said that he did not feel that entering the agreement with Artagen, without revealing an intention to bid, in any way broke the spirit of the agreement. He was asked questions about the "spirit" of the agreement since Sun Life has accused Artagen of breaking this spirit by not using the Sun Life funding solely for developing new properties.

Asked what would happen if Sun Life gained more than 50 per cent. of Artagen shares but less than the 90 per cent. of outstanding shares necessary to gain complete control and so cancel the funding agreement, Mr. Walker said Sun Life would then take direct management control of Artagen. He could not say at this stage what the future of Artagen's top management would be in this event.

Gaining majority control of Artagen but not outright ownership would still yield "substantial benefits" to Sun Life, he said.

The Artagen share price remained above the 84p bid price yesterday. At statement yesterday said that Sun Life's holding was now 19.78m. shares (35.23 per cent.).

The Artagen camp denied the report here yesterday that they might be prepared to agree to a shortening of the Sun Life funding after the bid was defeated.

WELFARE-KEITH & HENDERSON

Keith and Henderson announces that discussions are continuing with **Welfare Insurance** in order to obtain an offer at a level substantially higher than 80p and in the meantime holders are advised to take no action in respect of their shareholding.

METALRAX PURCHASE

Metalrax (Holdings) has bought **Commercial Bearings** from **Frederick Cooper (Holdings)**. The consideration is £164,050 in cash paid on completion and a further payment of up to £20,000 once the stock and work in progress as at May 28 has been finally evaluated.

Commercial Bearings, which has been sold to The Priory Rubber Door company, a subsidiary of Metalrax, has returned losses after interest over the past two years, because of a shortfall in orders.

KELLOCK PURCHASE

Kellock Holdings, an investment holding company, has *conditionally* agreed to acquire **H. Morris and Sons**, a subsidiary of Peek Holdings, together with its wholly-owned subsidiary **Chamberlain Pole and Co.**, for a consideration of some £64,000. In addition, loans totalling £150,100 plus interest will be repaid by Morriss to Peek. Both companies are engaged in wholesale distribution of net foods and horticultural products.

Pre-tax profits of the Morris group for 1975 amounted in aggregate to £21,719 and net assets totalled £117,835. For the six months to June, 1976, taxable profits, excluding any extraordinary items and inter-group interest, is expected "to be not less than £45,000."

LONDON AND M'CHESTER-FAIRVIEW

London and Manchester Assurance's holding in **Fairview Estates**, due to acquisitions, is now 1,320,000 Ordinary shares being 12.3 per cent. of the equity. First National Development, a subsidiary of First National Finance Corporation, have sold their holding of 2,166,666 shares—20.1 per cent.—and no longer have any interest in Fairview.

BLACK AND EDGINGTON

Black and Edgington has acquired **Pakamac Holdings** for a consideration which "will be based primarily on future results."

Pakamac had a turnover of some £2m. in 1975. Results for 1975 were disappointing due to difficult trading conditions.

The value of net tangible assets being acquired is in the region of £100,000.

PATCHLEY —ROSEHAUGH

Patchley Investment has acquired a further 178,995 shares of **Rosehaugh** pursuant to its offer. Patchley held 565,299 shares before the offer period. The offer, made in accordance with rule 34 of the City Code, has now expired.

MOTHERWELL BRIDGE

Motherwell Bridge (Holdings) has acquired **Young and Co. (Kelvinhaugh)**. Young is in the heavy lift field, mechanical construction and maintenance.

KILN-SWACO

By the closing date of the offer made on behalf of **Kiln Products** *to acquire the capital of the South* **West Africa Company** acceptances had been received in respect of 2,052,827 shares (96.5 per cent.). Acceptors in respect of 1,785,834 SWACO shares elected for the share alternative.

The offer, which became unconditional as to acceptances on May 28, is now fully unconditional. In due course it is the intention of Kiln to acquire compulsorily any outstanding shares. In the meantime, the offer will remain open.

GRAPHIC DIA

Graphic Dia, a leading supplier in the U.K. of pens and inks for use with recording instruments, has become a wholly owned subsidiary of the **Graphic Controls Corporation**. As a result, the company has moved from Birmingham to 88, Brewery Road, London.

SHARE STAKES

Artagen Properties—Sun Life Assurance total interest in company is 19.78m. Ordinary (35.23 per cent.).

Initial Services—London and Manchester Assurance has increased the *holding of 8.5 per cent.* Cumulative Preference shares to 99,000, being 24.75 per cent. of total Preference in issue.

Sanderson Murray and Elder (Holdings)—Mr. F. Crosland, as a trustee of a settlement, has increased the settlement's holding by 66,029 shares making his total interest as a trustee 373,098 shares (19.63 per cent.).

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.		[illegible]	[illegible]	Borne Pacific Fd. (US$1)	£24½	−¼	40c	—	0.8	—
$10,500	[illegible]		$9,500	$8,500	Brandiwest S.A.	$8,500	...	—	—	—	—
	F.P.		£23¾	223	[illegible] Corp. US$1	£23½		$1.20	—	5.0	—
47	[illegible]	[illegible]	45	41	[illegible] Walton [illegible]	42	..	3.18	2.1	11.8	6.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Birmingham Corp. [illegible] 1927	91½	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	114	Bowring (C.T.) [illegible] Conv. [illegible]	122	+1
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Chester Water [illegible] Pref. [illegible]	99	...
[illegible]	F.P.	11/6	100¼	[illegible]	East Worcs. Water [illegible]	96	...
[illegible]	F.P.	—	95½	[illegible]	IAC [illegible] Notes 1981	97½	...
[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	99	...
[illegible]	[illegible]	23/7	11½	10	[illegible] Pref. 1981	10	...
[illegible]	[illegible]	—	101	100	[illegible] Bank of Scotland Floating Rate 1983	$101	...
[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	...
295½	F.P.	[illegible]	[illegible]	[illegible]	[illegible] Dec. 1985	295½	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] Conv. [illegible]	67	−1
[illegible]	[illegible]	[illegible]	[illegible]	25	[illegible] Water 8% Pref. 1981	99	...

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or −
330	F.P.	4/6	17/6	[illegible]	[illegible]	Aust. & N.Z. Bank	495	...
230	F.P.	28/5	25/6	[illegible]	[illegible]	Bank of Ireland	290	−5
C$14	Nil			[illegible]	13½	Bank of Montreal	12½pm	
56	Nil	15/6	6/8	[illegible]	[illegible]	[illegible] Group	11pm	−1
70	F.P.	1/5	9/7	[illegible]	95	Boddingtons	98	
36	Nil	21/6	19/7	[illegible]	[illegible]	[illegible]	3pm	...
15	F.P.	28/5	11/6	[illegible]	[illegible]	[illegible]	17	
55	F.P.	18/5	15/6	[illegible]	[illegible]	Bowring (C.T.)	71	−3
12	Nil	16/6	30/7	[illegible]	[illegible]	Coalite & Chemical	2¾pm	−½
140p	Nil	—	—	[illegible]	[illegible]	Dunbee-Combex-Marx	29pm	...
9	Nil			1½	[illegible]	Elswick-Hopper	1½pm	−¼
36	F.P.	7/5	18/6	[illegible]	41	Era Inds.	44	
55	F.P.	17/5	11/6	[illegible]	64	Garnar Scotblair	66	−2
85	F.P.	21/5	18/6	111½	101	Glynwed	104	−1
106	F.P.	14/5	11/6	151	131	Greene King	146	−1
305	F.P.	27/5	2/7	[illegible]	390	Heath (C.E.)	410	−5
330	F.P.	10/6	3/7	[illegible]	355	I.C.I.	360	...
47½	F.P.	—	—	69½	67	Leeney Products	59	.....
57	F.P.	3/3	20/7	71½	61	Lloyd (F.H.)	63	.....
188	F.P.	28/6	9/7	214	[illegible]	Lucas Inds.	205	−4
35	Nil	11/6	2/7	3½	¼	Mallinson (Wm.) & Denny Mott	¼pm	...
120	Nil	11/6	9/7	30	14	Portals	30pm	+6
21	Nil	22/6	20/8	3	1½	Prees (William)	2½pm	−½
47	Nil	10/6	23/7	11½	2½	Ransome, Hoffman, Pollard	5½pm	−2
400	F.P.	21/5	25/6	492	440	Selection Trust	475	+10
32	Nil	16/6	23/7	3	½	Tootal	1¼pm	−¾
45	F.P.	28/5	29/6	56	44	Tricentrol	50	−1
130	F.P.	15/5	11/6	166	135	Turner & Newall	142	−1
SA1.20	Nil	18/6	—	64	38	Western Mining	55pm	......
70c	P.P.	—	—	51	46	Woodside-Burmah	48	...

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part capital, cover based on dividend on full capital. *g* Pence unless otherwise indicated. *n* Forecast dividend; cover based on previous year's earnings. [illegible] Figures based on prospectus or other official estimate for 1976. [illegible] assumed. † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. [illegible] Issued by tender. [illegible] offered to holders of Ordinary shares as a "rights." [illegible] 290 S.Afr. cents. ‡ Rights by way of capitalisation. [illegible] Tender allotment price. ◆ Reintroduced. [illegible] Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. [illegible] Allotment letters (or fully-paid). [illegible] Provisional or partly-paid allotment letters. $ With warrants. ◆ After suspension.

Reports to meetings

P & O looks to 1977

ADDRESSING THE annual meeting of P. & O., the shipping group, the chairman, the Earl of Inchcape, said that he remained confident that in 1976 the group would reverse the downward *trend in profits experienced* over the past 15 months.

However, he added: "I believe we should not look to much of the benefit flowing through to our shipping activities this year, but rather to a material improvement as we go into 1977." In the 15 months to the end of December 1975, pre-tax profits were £22.7m.—before extraordinary items of £13.3m. related to provisions against the properties held by the Bovis concern, acquired in 1974—compared with £32.5m. profit in the year 1973-1974.

Discussing the signs of revival in trade, Lord Inchcape said that, as a largely international business, P. & O. would benefit from improved world trade. In terms of reported profits, there was certainly some credit available from a decline in the value of the pound in the light of the group's high earnings in overseas currencies. "On balance I see the advantages outweighing the disadvantages this year."

The previously loss-making passenger side was now performing *on budget* for 1976 and should see a return to profitability next year, said Lord Inchcape. The Board would continue to keep these operations under the most careful review.

Lord Inchcape declined to comment on a shareholder's suggestion that the group might raise £35m. by convertible preference shares: however, there appears nothing to suggest that such a cash-raising operation is contemplated.

Mr. Oliver Brooks, the finance director, replied to a questioner who suggested that the group was too highly geared with borrowings of £478m.—£268m. long-term and the rest short-term—plus guarantees of £43m. and capital commitments of some £200m.

He said he did not regard the borrowing figure as excessive bearing in mind the constituent parts of the business, in some of which high borrowing was normal in comparable activities elsewhere.

On the question of capital commitments, which worked out at an average of £50m. a year over the next four years, P and O looked to cover these from cash flow of more than £30m. a year depreciation plus receipts from sales of assets.

Reports to other annual meetings yesterday were as follows:

Camrex (Holdings)—Mr. Alex G. Cameron said that current order books were at a record level and profits for the first four months of 1976 were in excess of £600,000.

Combined English Stores—Chairman, Mr. Murray Gordon told holders that the results for the first four months of the current year reflected the difficult trading conditions referred to in his annual review. Although conditions were still difficult he was confident of a considerable improvement before the year end.

Tozer Kemsley and Millbourn **(Holdings)**—Mr. Kenneth Thorogood, confirmed his statement in the annual report that the current year had started well and that he was hopeful of a successful 1976.

United Carriers—Results so far this year were encouraging and were proportionately ahead of those for the second half of last year.

Wadham Stringer—First four months' profits were ahead of last year. Recently formed insurance broking company would in future make a useful contribution to profits. The company's financial position was strong and the Board had made long-term arrangements for the next 10 years.

Steyr Daimler dividend cut by 1 per cent

BY PAUL LENDVAI VIENNA, June 9.

STEYR DAIMLER Puch, Austria's leading motor company is cutting its dividend by 1 per cent. to 5 per cent. for 1975 despite a higher turnover. Announcing this to-day Mr. Michael Malzacher, director general revealed that turnover last year rose by 8 per cent. to Sch.7.9bn. (about £240m.).

While domestic sales were up only by 3 per cent. to Sch.3.8bn. export earnings improved by 13 per cent. to Sch.4.1bn. As a result, the export ratio rose from 50 per cent. to 52 per cent. of the total. Following a capital increase of Sch.200m. to Sch.1bn., the consolidated balance-sheet total rose by Sch.352m. to Sch.7.2bn.

Total production was lower in 1975. But during the first five months of 1976 turnover rose by 18 per cent. compared to the same period last year, and the outlook is for a similar rise throughout 1976.

Last year's performance was not uniform. Thus while sales of ball bearings as well as lorries and agricultural machinery rose by 14 per cent. to Sch.1.3bn. and respectively by 10 per cent. to Sch.3.5bn. turnover in the two-wheel sector was down by 9 per cent. to Sch.1.8bn.

Mr. Malzacher announced that production and marketing will be streamlined. Turning to foreign business operations, he stressed that as a result of major co-operation deals with Bolmot, the Polish State motor concern, sales to Poland jumped by 80 per cent. last year. Poland, Greece and West Germany were the most important markets in 1975. Sales in Africa (primarily Nigeria, Sudan and Tunisia) and in Asia also expanded, but there was a 33 per cent. drop in the U.S. as a result of the virtual collapse of the market for bicycles.

With regard to the controversial Steyr venture in Greece, the Board hinted that the company would be willing to reduce its present 67 per cent. interest in the joint venture, "Steyr Hellas," and to accept a Greek majority holding provided this could help to alleviate the present grave situation of the company. The original contract was concluded with the military dictatorship years ago and the present Greek Government is apparently unwilling to underwrite the previous commitment with regard to the provision of finance and tariff protection. Without a Government commitment to buy at least 500 heavy lorries for the Greek army, and without a guaranteed sale of 2,000 tractors per annum, the plant could not operate economically, the Director General said.

It was revealed to-day that Steyr and the Nigerian Government will soon set up a giant company with a capital of Sch.290m. to erect a lorry assembly plant in Nigeria. Steyr would have 40 per cent. of the equity. The plant would go on stream in about 2½ years, with a final annual capacity of 8000 lorries and 2000 tractors. Talks are also in progress with the Tunisian Government about a joint tractor project, but no final agreement is expected before 1977. With regard to the U.S. market where the sales of bicycles last year were down by 40 per cent. and those of mopeds by 20 per cent., the entire marketing and sales network has now been reorganised and a new trading subsidiary has been set up.

Chrysler France recover

BY RUPERT CORNWELL PARIS, June 9.

THE VIGOROUS recovery by Chrysler-France, thanks to the introduction of new models and the sharp upturn in the European car market, has been spelt out here by the company's president, Mr. John Day.

After cumulative losses totalling over Frs.180m. (£22m.) in 1974 and 1975, Mr. Day told shareholders at the annual meeting this week that Chrysler-France had been operating at a profit since the final quarter of 1975, and the trend was continuing.

He attributed the reversal to the boom in the domestic market here which has seen car sales almost back at their pre-crisis 1973 levels. However, the success is undoubtedly due also to the inroads made by the 1307 and 1308 models, now manufactured in the U.K. under the Alpine mark.

In the first five months of this year, output rose in volume by 24 per cent. to 223,000 units. Exports jumped 20 per cent., while registrations in France leapt by 44 per cent. Mr. Day forecasts that total European output would exceed the record of 9.3m. vehicles in 1973.

● Terry Dodsworth writes from London: M. Bernard Vernier-Palliez, the recently appointed president of Renault, said yesterday that the French company had returned to healthy profits in its current trading, and was expecting good results for the whole of 1976. But the figures for 1975, due within the next few days, will show a substantial loss.

Speaking in the U.K. at the opening of a new £2.5m. computerised parts centre in Reading, M. Vernier-Palliez predicted that car sales in Germany would this year get back to the high levels of 1973. The recovery was also well under way in France, he said, though the market is not yet as bouyant as in Germany.

Renault production has gone up this year in line with rising demand, he added. Renault is expecting to make 1.4m. cars as against 1.29m in 1975

ERAP-AQUITAINE OIL MERGER

France goes for the big time

BY RUPERT CORNWELL PARIS, June 5.

WITHIN the next month or so, if all goes well, France will have endowed itself formally with a second integrated international oil company to set alongside Compagnie Francaise des Petroles (CFP), the cornerstone of the Total group.

On the face of it, last January's long-awaited decision to carry out a full merger of Societe Nationale des Petroles d'Aquitaine with its parent Elf-Erap, looks an unexciting piece of commonsense. Erap, the latter's holding company, is fully owned by the French state and already holds 54 per cent. of SNPA's capital: to strengthen those financial ties thus merely acknowledged the growing unification of the two on both industrial and management level.

However, the deal is turning out to be much more than just a complicated, if fascinating accounting exercise, probably the largest of its kind since the BP/Sohio arrangements of a few years back. Political passions have been stirred as the French left (particularly the communists) seek to embarrass a government it might well topple in 1978's parliamentary elections, as well as add to the controversy surrounding the oil industry in France. In doing so, it has turned the spotlight firmly onto the ambiguous relationship between the government and the French oil companies, at the frontier of the public and private sectors.

Intervention

France has long been held up as the country (and not least in Britain) where state intervention in industry works best. In oil, though, it is perhaps the other way round, and many people in Paris connected with the Erap/SNPA merger are unashamedly looking across the channel for inspiration. Their ambition is to create what amounts to a French BP, where the government is the dominant shareholder but permits management to operate on largely private lines.

But this will be easier said than done. France has long kept its oil companies on a very tight rein—even CFP, where a distinguished private pedigree does not make up for the 40 per cent. of its voting rights which are in government hands. With Erap, no confusion was ever possible: it was set up by de Gaulle in 1966 with the explicit aim of breaking the stranglehold of the Seven Sisters, the largely Anglo-Saxon majors. Aquitaine, too, as the company which operates the massive natural gas fields at Lacq in south western France—one of the country's few real indigenous energy sources—was never allowed to stray far. But quite apart from the duplication inevitable at times between SNPA and Erap, this deep official involvement has bread its own problems.

In the first place, the French authorities have come to realise that the state-to-state approach to oil matters which they were once so enthusiastic about, is after all probably not the ideal. The most dramatic illustration was in Algeria, where the sensitive Boumedienne regime regarded Elf-Erap as the Quai d'Orsay in disguise. CFP, where private blood runs thicker, never had the same difficulties in re-establishing ties after the nationalisation of the Sahara oil fields in 1971. More generally, Paris has come round to the view that oil companies can be a useful buffer in times of political or diplomatic trouble—and often supply the oil more cheaply.

But the biggest snag has been financial. Erap, though under government control, has lost its access to direct government funds, and in 1974 and 1975 has in fact had to pay a dividend to the state. Its bank borrowing had reached dangerous levels, to the point where executives warned that if it found another field like Frigg, it could only raise the cash to develop it by selling off, Burmah-style, other assets.

The lack of funds has perforce handicapped Aquitaine: for years the company has been unable to turn to its shareholders for money, as Erap could not have taken up its entitlement, thus raising the spectre of the State's majority becoming a minority.

The only way out of the dilemma, therefore, was to merge the two in such a way as to guarantee public control, yet at the same time offering private shareholders a decent return on their investment, and the feeling that they were not pawns of the State. The arrangements worked out by the Boards of SNPA and Erap, with the held of six months' solid work by 25 expert accountants from Société Generale and Chase Manhattan will, it is hoped, do the trick.

Erap will make over all its exploration, production and refining subsidiaries (mostly

M. Michel d'Ornano, Minister of Industry and Energy.

under the ELF label) to Aquitaine, which will change its name to Societe Nationale ELF-Aquitaine (SNEA). In return it will be repaid with new Aquitaine shares, lifting its stake in that company to 70 per cent. from 54 per cent., the powerful integrated group will have net assets of more than Frs.8bn. (£950m.) Under its umbrella will come not only the major interests of the old SNPA (LACQ and promising oil fields in Canada and elsewhere), but the rapidly growing interests of ELF-Erap: a crude output of 19.5m. tons in 1975, and fields or finds in a dozen countries across the globe—including large stakes in the major North Sea oil and gas deposits of Ekofisk and Frigg.

In addition, ELF holds 23 per cent. of the French refined product market. Then there are the non-oil sectors: Aquitaine's burgeoning pharmaceutical division, petrochemicals and its 50 per cent. holding in the nickel riches of New Caledonia. The whole generates sales of some Frs.28bn. (£3.3bn.) a year.

The valuation, established on the discounted cash flow basis held most suitable for the oil industry, comes out far in Aquitaine's favour. Though by most yardsticks a larger company, Erap's worth is set at Frs.12.3bn. (£1.5bn.), little more than half SNPA's Frs.23.3bn. (£2.9bn.). The difference is due to the fiscal and political uncertainties that surround much of the former's oil reserves, and the losses incurred by its refining sector. Underlying assumptions include an annual inflation of 8 per cent., and in Chase's case, the view that oil prices will remain unchanged for the next five years.

As further sweeteners, the Government has pledged to continue the hitherto generous dividend policy of SNPA, while Erap has undertaken to treat its new shares as a frozen financial investment. Meanwhile, the Government is dropping hints that it will tinker with the current system of import licences to ensure ELF-Aquitaine a bigger slice of the domestic market—to the fury of the subsidiaries of foreign oil companies operating in France. All this, it is hoped, will produce a favourable enough climate for a rights issue by SNEA within two or three years. On that occasion, even if Erap does not take up its full entitlement, there is no risk of its stake dropping below the 50 per cent. mark.

These elaborate plans are anything but to the liking of the Union of the Left, whose electoral platform includes nationalisation of most of France's biggest companies. The deal, it argues, amounts to a privatisation of ELF-Erap: the transfer of public sector assets to a company, which though nominally state-controlled will be allowed to function on more private lines. Fuel was thrown on the flames with the recent publication of a top-secret ministry document, suggesting that the state did not have the means to impose its will on SNEA.

This, though, looks an unlikely proposition to anyone with a passing knowledge of how France handles its oil industry. Apart from its grip on the companies themselves, the state since 1928 has had full control of the domestic market, thanks to a law that defies almost all criteria of free competition: the Government allots licences to import oil and oil products, in return for which the privileged companies are guaranteed a certain share of the market.

It is hardly surprising, therefore, that French domestic oil policy arouses the anger of trust busters in Brussels and Washington. Hardly less surprising, as well, that a long-running cartel allegation involving the big oil group operating in France (including BP and Shell) has led to accusations of Government collusion, and interference to hush up proceedings.

Official view

Be this as it may, things are not going to change. In an interview this month the Industry Minister M. Michel D'Ornano set out the official view in unmistakable terms. "Short of a European energy policy, for which we have made proposals, we will not change our own policy. The French companies must serve the interests of France. What matters is not the companies, but the security of oil supplies for the country." He goes on: "The reason we didn't have Erap take over SNPA was that it would have cost the Government £180m. to buy up outstanding shares." In other words, therefore, the aim is to replace the Government by the bourse as a major source of fresh funds, but it is hardly a charter for a French BP.

What the Alcan strike could cost

By Robert Gibbens MONTREAL, June 9.

THE STRIKE situation which has closed down two-thirds of Alcan Aluminium's 1m. short tons Canadian smelting capacity was unchanged to-day.

Industry sources in Canada and the U.S. believe the strike in Quebec, where the dispute is mainly wages, may last a minimum of six weeks. Assuming the 5m. shares stock issue goes ahead and resulting dilution most analysts had figured Alcan would earn about $US1.55 a share on a consolidated basis in 1976 against 65 cents in 1975. The final quarter this year was expected to show a sharp increase. Analysts now believe the strike could cost between 50 cents and $1 a share in 1976 which would mean that total earnings could work out between 75 and 90 cents for the year. However, industry analysts stressed the difficulties of assessing the length and effects of the strike.

The North American producer price is now 44 cents a pound of ingot. Some observers believe that this discounting will rapidly disappear, world inventory will shrink and supply bottlenecks widely expected in the second quarter of 1977 will arrive much earlier.

In the first quarter of 1976 Alcan earned 13 cents a share against 51 cents a year earlier, blaming the poor showing on losses in Japan and Jamaica. However, in April it expected "a favourable trend" later in the year partly because some material costs were coming down. In 1975 the company earned 65 cents a share against $4.11 in 1974.

AP-DJ adds: Alcan plans to continue indefinitely to operate the Kitimat smaleter a spokesman said to-day. The company has said it has not any intention of reopening negotiations on a two-year agreement signed in January with the union.

Reuter adds from Vancouver: The 1,800 workers employed at the Kitimat smelter voted to-day to continue their defiance of a provincial Labour Relations Board order to return to work.

Aker to consider new proposals for Reksten

BY FAY GJESTER OSLO, June 9.

NORWAY'S AKER shipbuilding concern may have to reconsider it decision not to accept a share in the new company, Trajan, to be formed by the troubled Hilmar Reksten shipping group and its major creditors

The Board of the State-backed Loan Guarantee Institute for ships and drilling rigs, from which the group is seeking loan guarantees totalling some Kr.600/700m., last night considered revised proposals for a reorganisation of the Reksten company's structure—including the formation of Trajan. Though details have not yet been officially revealed, it is understood that the Board has decided in principle to grant guarantees for the full amount requested, but only if both major creditors—Hambros Bank of London, and Aker—take part in the new company and agree to reduce their claims on the Reksten Group.

A spokesman for Aker said this morning that the concern had not yet been fully informed by the Institute about the revised proposals, but it would consider them "carefully."

It is believed that the proposed reorganization would leave intact the only Reksten company now listed on the Oslo stock exchange, A/S Hadrian, and that Hadrian would retain its present fleet of four super tankers. Some Kr.250m. of the loan guarantees now being sought would be used to help keep Hadrian in business while the rest would go to the new company, Trajan, which would take over most of the other ships in the Reksten fleet.

Meanwhile Bergen police are to-day continuing their search of ship-owner Hilmar Reksten's home and offices at Fjøsanger, near Bergen, in connection with the charges against him of violating tax and currency laws. Assisted by experts, the police are looking for documentary evidence of the violations.

Commenting on the Reksten enquiries, a senior Bank of Norway official said there were indications that other shipping companies had also evaded tax and currency rules, though the Reksten case was unique in its magnitude. The official, Mr. Per Steina, said the Bank was now looking more carefully at information provided by shipping companies about their overseas interests, and it had asked a number of them to supply additional details.

Ataka announces a reshuffle—and results

BY PETER DUMINY TOKYO, June 9

MASAO ICHIKAWA, president of Ataka announced a reshuffle of its top management at a Press conference, paving the way towards the proposed merger with C. Itoh.

Ichikawa said a consortium of financial supporters has decided to send four executives to Ataka to assume the posts of president, vice-president and managing directors

He said 16 of the company's 26 present executives—including himself—will resign from Ataka's Board of directors.

Ataka's troubles began after its American subsidiary, Ataka America found it was owed more than $300m. in credits and payments in arrears by Canada's Newfoundland Refining Company (NRC) last year.

The problems of Ataka are illustrated by the results for the year ended March 31

Among other things, the company reports a loss of $19.7m., even after showing $44.7m. profit from the sale of securities, plus $19.2m. as profit on disposal of fixed assets (including the Osaka head office, sold to Ataka Real Estate).

The management changes are part of the pressure on Ataka to reorganise its affairs, which in turn may mean that revelations are fuller than they would otherwise be. There is also a need to impress the seriousness of the situation on the approximately 3,600 employees, numbers of whom must shortly be persuaded to accept retrenchment.

Sales were 4.6 per cent lower at $6.6bn, yielding a loss at the trading level of $2.7m. (previous year, profit of $97.5m.). After interest (net) and other non-operating items, the loss increases to $50.4m. (profit of $16.8m.). At this level nearly $34m. has already been taken in as profit on liquidation of securities.

The rest comes in with non-recurring items, which produce a net plus of $26m. The final dividend is passed.

The balance sheet shows a somewhat pared operation, with reductions in short-term borrowing (to $880m.) and more particularly other short-term liabilities However there is nothing to indicate that the accounts reflect the full $300m. loss incurred in the Newfoundland refinery collapse, all of which may still be on the books of a subsidiary.

Crumbs of comfort to come from the report include the forecast that sales should be maintained in the current year and that a loss of $33m. before non-recurring items expected in the first half, may see the end of the loss-making run.

NIB elects top men

BY LANCE KEYWORTH HELSINKI, June 9.

AT ITS founding meeting here to-day, the Nordic Investment Bank (NIB) elected Mr. Herman Skanland, of Norway, chairman of the Board and Mr. Bert Lindstrom, of Sweden, managing director. The bank will be domiciled in Helsinki for the moment in temporary premises.

The idea of a Nordic investment bank was first raised about 20 years ago, but the final details were settled in the past two years or so. The purpose of the NIB is to provide loans and guarantees for investment projects of common Nordic interest. These will be issued in accordance with normal banking practice. The NIB's basic capital is $400m. SDR (IMF special drawing rights) about FM1.8bn (£264m.) at the current rate of exchange. The shares of the member countries are: Sweden 45 per cent.; Denmark 22 per cent.; Norway and Finland 16 each; Iceland 1. The NIB's rules permit it to grant loans and guarantees to a total of 2.5 times its basic capital. It may borrow in the international capital market for credit business within the Nordic countries.

For the present at least, the NIB will not grant loans for projects involving a third country, that is, a country outside the Nordic Union. Norway is adamant about this, and any change in attitude would require a political (parliamentary) decision. Finland had speculated earlier about financing its large joint projects with the Soviet Union from the NIB.

Wall Street merger

MOSELEY, Hallgarten and Estabrook Inc. and C. B. Richard, Ellis and Co. said they agreed to merge, Reuter reports from New York.

The combined firm will continue to be known as Moseley, Hallgarten and Estabrook Inc.

Alfa Romeo loss

ALFA ROMEO Spa sustained a loss of L34.7bn. in 1975 ($2.04bn.), Reuter reports from Milan.

Total group turnover rose to L660bn. from 460.8bn.

Air Liquide forecast

AIR LIQUIDE Chairman Jean Delorme told the annual meeting that results should be better this year than in 1975, provided present conditions are maintained, Reuter reports from Paris.

Deutsche Bank listing

SHARES of the Deutsche Bank will be listed at the Amsterdam Stock Exchange from June 16 next, AP-DJ reports.

EDF Euroloan

A SYNDICATED Euro-currency loan to Electricité de France will be increased to a minimum of $400m. from $300m., a source close to the syndicate manager, Credit Lyonnaise, said, AP-DJ reports from London.

U.S. $36m. for K Mart

GOLDMAN SACHS International Corporation and Union Bank of Switzerland (Securities) as joint managers of the underwriting group, has announced the proposed offering in Europe of U.S.$36m.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	104	105
Ashland 8pc 1987	95½	96½
Austraswiss 8pc 1987	92½	93½
BFCF 8½pc 1983	99	100
CNE 9½pc 1985	99½	100½
Conzinc 8pc 1986	95	95½
ECS 9½pc 1986	100½	101½
EIB 9½pc 1985	101½	102½
ERAP 9½pc 1985	101½	102½
Esso 8pc 1986 Nov	100½	101½
Eurofima 9½pc 1983	98½	99½
Grances 9½pc 1985	101	102
Massey 9½pc 1986	103½	104½
Michelin 9½pc 1986	99½	100½
MODO 9½pc 1982	99½	100½
Nfdlnd. Labrador 9½pc 86	102½	103½
New Zealand 9½pc 1982	102½	103½
Norpipe 9½pc 1986	99½	100½
Norsk Hydro 9½pc 1986	101	101½
Oslo 9pc 1986	99	100
Pacific Light 8pc 1985	93½	94½
Prov. Quebec 9pc 1984	100½	101½
Scanraff 8½pc 1988	99½	100½
SFE 9pc 1983	100½	101
Shell 8pc 1986	95½	95½
Stand. Oil (Ind.) 8½pc 1988	100	100½
Svenska Handels 9½pc 1986	100½	101½
Volvo 9½pc 1983	101½	102½
NOTES		
Barclays 9½pc 1982	101½	102½
British Gas 9pc 1981	100	100½
Charb. France 8½pc 1981	95½	90½
Denmark Mt Bk 9pc 1983	100	101
ECS 8½pc 1981	100½	101½
EEC 8½pc 1982	97	97½
Electricity Council 8½pc '81	99	100
Montreal 9½pc 1982	101½	102½
Nippon Steel 9½pc 1980	101½	102½
Norway 8½pc 1981	101	101½
Prov. Quebec 8½pc 1981	100½	101½
Seagram 9pc 1983	101½	102½

CONVERTIBLES	Bid	Offer
American Express 4½pc '87	78	80
Ashland 5pc 1988	83½	85
Beatrice Foods 4½pc 1992	95	97
Beatrice Foods 4½pc 1992	109	111
Borden 5pc 1992	95	97½
Broadway Hale 4½pc 1987	74	76½
Canon Camera 7½pc 1989	141	145
Carnation 4pc 1987	76½	78½
Chevron 5pc 1988	114	116
Dart 4½pc 1987	75½	77½
Eastman Kodak 4½pc 1988	109	111
Economic Labs. 4½pc 1987	75½	77½
Fed. Dept Stores 4½pc '85	105	107
Firestone 5pc 1988	87	89
Ford 6pc 1986	97	99
Ford 5pc 1988	88½	90½
General Electric 4½pc 1987	82½	84½
Gillette 4½pc 1987	75	77
Gould 5pc 1987	92	94
Gulf and Western 5pc 1988	97	99
Harris 5pc 1992	85½	87½
Honeywell 6pc 1986	81	83
ITT 4½pc 1987	73	75
Komatsu 7½pc 1990	106	107½
J. Ray McDermott 4½pc '87	146	148
Mitsubishi Elec. 7½pc 1991	104½	106
Mitsui 7½pc 1990	100	101½
J. P. Morgan 4½pc 1987	113	115
Nabisco 5½pc 1988	91	93
Owens Illinois 4½pc 1987	101½	103½
J. C. Penney 4½pc 1987	78½	80½
Pioneer 4½pc 1989	290	295
Revlon 4½pc 1987	94½	95½
Reynolds Metals 5pc 1988	85	87
Sperry Rand 4½pc 1987	94½	96½
Squibb 4½pc 1987	74½	76½
Texaco 4½pc 1988	75½	77½
Toshiba 6½pc 1990	109	111
Union Carbide 4½pc 1982	119½	121½
Warner Lambert 4½pc 1987	81	83
Warner Lambert 4½pc 1988	78½	80½
Xerox 5pc 1988	75½	77½

Source: Kidder, Peabody Securities

BOOKS

Shrewd observer

BY C. P. SNOW

Special Envoy to Churchill and Stalin: 1941-1946 by W. Averell Harriman and Elie Abel. Hutchinson. £6.95. 595 pages

Listen to Averell Harriman on Stalin:

"It is hard for me to reconcile the courtesy and consideration that he showed me with the ghastly cruelty of his wholesale liquidations. Others, who did not know him personally, see only the tyrant in Stalin. I saw the other side as well—his high intelligence, that fantastic grasp of detail, his shrewdness and the surprisingly human sensitivity that he was capable of showing, at least in the war years. I I found him better informed than Roosevelt, more realistic than Churchill, in some ways the most effective of the war leaders . . . . I must confess that for me Stalin remains the most inscrutable and contradictory character I have known—and leave the final judgment to history."

That, in this new book about his wartime experiences. He is the only man still alive who knew all three leaders. He was the coolest headed of all special emissaries, and the one least preocupied with his own fortunes. He was—and no doubt *still is*, since he is still with us, and the revered father figure of liberals in the Democratic Party—immensely rich, and, as with a certain number of the best rich men, this helped put him above the battle. He got on to good human terms with the main figures of the 1945 Labour Government here. For a long while he got on better with Russians than any highly placed Anglo-American. He is not only seriously intelligent but also, and this was often more important, by nature disinterested. The world of his time and ours was lucky to have him.

The way he has issued this book is characteristic. He hasn't written it himself, but entrusted it, in a fashion either lordly or self-effacing, to a skilled and widely knowledgeable diplomatic journalist, Elie Abel. Mr. Abel has been given access to the Harriman archives, and all the time Harriman has been close to the final production. Occasionally Harriman has inserted reflections, such as the one I have quoted.

The total effect is rather odd, and unlike all the other war memoirs by high-level participants. Mr. Abel's technical device of writing about Harriman's doings in the third person takes away, as it couldn't help doing, from immediacy, but adds to an atmosphere of detachment and insight, often of wisdom. There is unlikely to be a better book about the goings-on in the highest *circles of the anti-Hitler combination*.

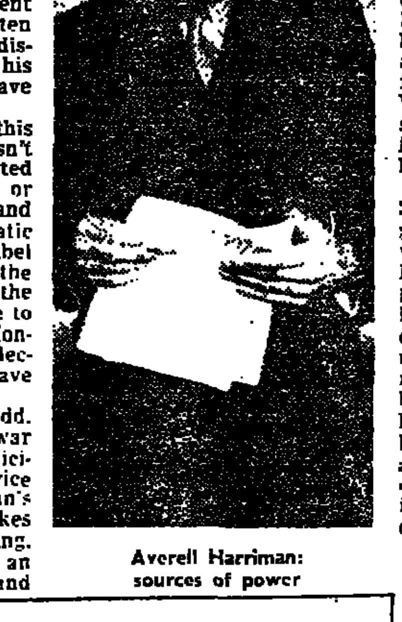
Harriman's judgment, as tested by how the results of prediction turned out in fact, was usually much better than that of Roosevelt or Churchill. It was out of comparison better than that of the Anglo-American military authorities, who were crassly and confidently wrong about the Soviet-German war until the time (July 1943) when the Soviet Army had won it.

Harriman was not infallible and shared some of his boss's illusions. Incidentally, he seems always to have been puzzled, and often exasperated, by Roosevelt. He found him maddeningly vague, frequently ignorant, far too certain that major world problems could be settled by a bit of genial man-management, as though he coud handle Stalin like another Mayor Daley. Yet there were flashes of political imagination denied to Churchill or presumably to Harriman himself. Sometimes, though, it wasn't the flashes of imagination, but the prejudices and inflated optimism which infected Harriman. He accepted Roosevelt's grotesque underestimate of De Gaulle and the total misreading of political France. It really wasn't very sensible to imagine that, if one waved an American flag, the loyal French would remember *Lafayette and promptly rally* round the somewhat unlikely person of General Giraud.

In his first visits to Moscow, Harriman was also a little influenced by another illusion. Which was that Stalin was likely to be overruled by some invisible power bloc of colleagues, possibly a faction more powerful than himself in the Politburo. We now know for certain that this was so much nonsense. It arose because of Stalin's habit of conducting an initial interview temperately and politely, even though his visitor, as it might be Churchill or Harriman himself, brought bad news, as they usually did: such as that the West couldn't fulfil an engagement. Then next day the weather would change. The politeness became just formal. Stalin broke into the sardonic reproaches at which he was a master. The view in London and Washington was that he must be doing this under instruction.

Harriman, almost alone among western observers, began to detect that Stalin, in spite of his *controlled will, wasn't immune* from moods—and moods which varied with his passionate suspicions. Since Harriman's time, we have learned something of Stalin's final years, and these displays of violent rancour fit into the psychological structure. And so do the occasional fugues *of baseless hope*, as in August, 1941, thinking that Kiev would be saved, or baseless gloom, as in June, 1943, savage with the West for not taking action, obviously because he was waiting for the threatening German offensive, and not realising that his armies were within weeks of beating the Germans in the field, and of putting the whole power in his hands. That power the Western statesmen were very slow to realise, and it was not *immediately seized on by Stalin* himself.

It will be a long time before Stalin is written about with any genuine comprehension, and it will be as difficult as getting Peter the Great into any sort of perspective. This may not happen for 50 years. When it does, Harriman's will be the most valuable, and certainly the most objective, source provided by a Western observer. As Harriman says, he can't make up his own mind, and has to leave it all to history. That will depend on what sort of society is supplying the history, and who is deputed to write it.



Averell Harriman: sources of power

U.K. ECONOMIC INDICATORS

General	1976 May	1976 Apr.	1976 Mar.	1975 May	1975 Apr.
Unemployed ('000s)§	1,271.8	1,281.1	1,284.9	850.3	899.7
Unfilled vacancies ('000s)	124.4	119.7	109.0	164.1	173.4
Currency reserves ($bn.)	5.423	4.848	5.905	6.491	7.132
	Apr.	Mar.	Feb.	Apr.	Mar.
Bank advances (£bn.)b	14.196	14.08	14.317	n.a.	n.a.
Basic materials (1970=100)d	284.7	273.7	263.5	222.9	221.9
Manfd. prods. (1970=100)d	211.2	208.5	207.3	182.5	179.0
Terms of trade (1970=100)	80.2	81.3	81.3	79.1	78.1
Retail prices (Jan., 1974=100)	153.5	150.6	149.8	129.1	124.3
Wage rates (July, 1972=100)	207.8	206.5	205.1	169.1	168.1
Retail sales val. (1970=100)**	195.3	188.3	189.6	184.4	166.3
HP debt (£m.)§	2,323	2,297	2,296	2,290	2,265
	Mar.	Feb.	Jan.	Mar.	Feb.
Industrial output (1970=100)	101.0	101.6	100.7	103.4	105.0

Trade and Industry	1976 May	1976 Apr.	1976 Jan.-May	1975 May	1975 Jan.-May
Cars ('000s)*	122p	104	116	68	112
Commercial vehicles ('000s)*	32.5p	29.8	31.5	30.0	35.0
	Apr.	Mar.	Jan.-Apr.	Apr.	Jan.-Apr.
Imports f.o.b. (£bn.)	2.204	1.922	2.019	1.690	1.749
Exports f.o.b. (£bn)	1.949	1.906	1.847	1.386	1.494
Visible trade balance (£bn.)	−0.255	−0.16	−0.172	−0.304	−0.255
Steel, weekly average ('000 tonnes)	457.4	453.6	438.0	424.8	471.0
Houses completed ('000s)§	25.5	28.7	25.3	25.2	23.6
Bricks (millions)*	461	493	454	633	521
Cement, weekly average ('000 tonnes)	297	330	291.5	327	314
TV sets ('000s)‡‡	168	205	180	263	239
Radios, radiograms ('000s)‡‡	217	248	331	479	387
	Mar.	Feb.	Jan.-Mar.	Mar.	Jan.-Mar.
Furniture (1970=100)†**	158	166	161	145	149
Hosiery (1970=100)**	81	90	86	89	92
Man-made fibres (m. kgs.)*	54.1	52.3	53.3	44.3	43.0
Petroleum (m. tonnes)†	8.005p	7.413	7.517	7.22	7.59
Electric cookers ('000s)f †	70.4	88.0	73.5	75.2	77.5
Washing machines ('000s)†	74.7	96.2	80.3	91.8	87.2
	Feb.	Jan.	Jan.-Feb.	Feb.	Jan.-Feb.
Machine tools (£m.)†	27.8	27.2	27.5	27.2	24.7
Raw cotton, weekly average ('000 metric tonnes)	2.37	2.39	2.38	2.13	1.98
Raw wools (m. kilos)	9.6	10.0	9.8	9.1	9.0
Engineering, orders on hand (1970=100)**	96	97	96.5	122	123.5

	1976 1st qtr.	1975 4th qtr.	1975 1st qtr.	1975 Year	1974 Year
Consumer spending (£bn., 1970 values)	8,870g	8,804	9,041	35,413	35,607
Motor trade turnover (1972=100)	165	133	137	142.2	119.2
Building and civil engineering (£bn.)c	3.018g	2.998	2.644	11.610	10.220

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. b From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historic figures on new basis not available. d Prices. f Including cooker griller toasters. c Value of output r United Kingdom not seasonally adjusted. g First preliminary estimate. p Provisional figures.

Muriel Spark: life among the rich

Up at the villas

BY ROBIN LANE FOX

The Takeover by Muriel Spark. Macmillan. £3.95. 266 pages

Three villas stand side by side on the hills above Italy's Lake Nemi. Between 1973 and summer 1975, they are taken, or taken over, by tenants of varied sexual and financial morals. In number one, lives Hubert Mallindaine, a homosexual whose relationship with Maggie, globally rich owner of all three properties, is not as passé as you might expect. In number two lives young blonde Mary, from California, married to Maggie's son, who has a way of being absent. Eager, fresh-faced, one feels, at least until a sudden pounce by Lauro, the sex-free houseboy, finds her about as resistant to others' advances as the partner in her year-old marriage.

The Bernardinis, in number three, are very, very rich and not altogether sure that they will escape the burglars or kidnappers as Italy's old order breaks down. Emilio, the father, fancies Nancy the English tutor; Letizia, the daughter, puts drug-addicts on to therapeutic jobs in the garden, but not in the villa, as she fears for its opulent contents.

The plot has the quality of pure unpredictability. One fraud follows another until fake and reality are confused in most of the character's minds. Two Jesuit priests (they like to hunt in pairs) wind in and out of those chinks in the story which are not drawn together by Maggie's *mesmeric riches or Lauro's* shameless randiness. International calls fly from lawyer to lawyer, dodging tax like swallows between river-banks. There is a kidnap and a fuss over tenants' rights. There is even a religious revivalist meeting where Hubert stands forward as the priest of Nemi's old pagan Diana. Tongues are not the only organs to be unloosed in the process.

Like some ancient priest of Diana in Nemi's woods, waiting for the fugitive slave who would burst into the temple's clearing and fight to the death for the right to serve the goddess, you may be feeling that you have travelled through this exotic landscape already. An early-to-middle period Irish Murdoch? In many ways, yes, but there is less irony, less character and the wit is more coloured, less intellectual. There is also the stronger hint that worlds, not only individuals, are falling apart. The oil-crisis of 1973 attracts an unusually thick page of descriptive comment; 1974 and 1975 see assets switching from Italy to Zurich through the hands of Coco de Renault.

The Communists are at Italy's door, and Maggie's title to all three villas is deemed "abusivo" by the Italians among whom Lauro finds a plump bride. There is more here than can be cured by Hubert's tranquillisers or by the Brotherhood of Diana and *Apollo, in whose bogus folk-lore* Hubert almost believes.

Muriel Spark's imagination needs no comment from me, and her quick exchanges and switches of scene have dazzled her readers often enough without seeming stale. Nemi, too, is a magical place, despite the ghastly prose of the Golden Bough which she quotes at some *length, perhaps with a taste for it. The Takeover* will find a place in many summer suitcases, but it leaves this reader without a sense of contact with its story or its participants. No doubt this is the fault of one who does not live in Italy and who has read too many novels set among expatriates who are sealed off from their surroundings. Nor do I *value pace in fiction so highly*. This novel seems to me to be too detached, with none of that love (which I do like) for its people, however monstrous.

The financial and legal toing and froing of groups who are falsely rooted in their highly-coloured worlds is too cold a theme to show off Muriel Spark's detachment at its best. The effect *of inflation on mere objects* is less interesting than the far from obvious effects of inflation and doom-talk on groups of human beings. *The Takeover* is quick and smart, but even as a fable, it is too cynical to carry conviction.

Under cover

BY ALLAN TODD

Bodyguard of Lies by Anthony Cave Brown. W. H. Allen. £7.50. 947 pages

With the continued release of classified material there has been a considerable flow of books on various aspects of the deceptive strategy practised by the British and Americans in World War II. This book aims to consolidate them all into one large volume, and to throw further light on some of the more obscure episodes. The cloak and dagger atmosphere, made familiar by many a novel and TV programme, is to be found here to the full and it is no denigration *to say that the book reads like a* novel, with plenty of detail about the personalities involved, particularly those of high station.

An example of the startling theories put forward by the author, is that the whole "Cicero" episode was a bluff and that our ambassador to Turkey knew that his valet had gained access to his top secret material and was feeding it to the enemy. An explanation is also offered as to why Ultra, the German code system which we captured at the beginning of the war and by which we read their top secret messages, failed us at the time of the Ardennes offensive. That deception strategy played an important role in the allied victory can be accepted, but that it was vital *is not* proven.

In short

Oxford in the Twenties by Christopher Hollis. Heinemann. £4.50. 136 pages

Union politics, Oxford *Catholicism, the snobberies of dons*, cricket, light verse are some ingredients in Mr. Hollis's "recollections of five friends." Of the five, Harold Acton is happily still with us and has written his own memoirs; Evelyn Waugh was the subject of a recent major biography by Christopher Sykes; and C. M. Bowra of a recent book of memoirs and much oral tradition. That leaves two, Leslie Hore-Belisha and R. C. Robertson-Glasgow, semi-forgotten characters whom Mr. Hollis resuscitates illuminatingly. The book is rather slight but as an agreeable combination of generalisation and gossip slips down easily.

The Weeping and the Laughter: An Autobiography by Viva King. Macdonald and Jane's. £5.95. 248 pages

One of London's legendary hostesses, Viva King, now in her 80s, looks back upon a very full life indeed. The child of a broken marriage she had a pinched up-bringing in Bruges, Bournemouth and London before her own marriage to Willie King, the curator of ceramics at the British Museum. He and many other eccentrics are evoked in a book that is anecdotal, incisive and a constant delight.

A.C.

Foreign causes

BY ALAN HODGE

Victor Cazalet: A Portrait by Robert Rhodes James. Hamish Hamilton. £5.95. 306 pages

Harold Nicolson, an acute observer of people, if not always *of politics, wrote of Cazalet* in 1942: "Victor cannot see a pie without wishing to have his fingers in it. I wish I could get a clear map of Victor's soul. I think you would find much swamp and little firm ground . . . But he does rush in where angels fear to tread." Within a year Cazalet was killed in an air crash at Gibraltar, flying back to England with General Sikorski after a visit to Polish troops in the Middle East.

Poland during the Second World War had become one of Victor Cazalet's causes, and he was an excellent liaison officer to Sikorski. By nature he knew how to comply with Polish traditions of honour, independence and integrity and he earned Sikorski's trust and respect.

The affairs of the exiled fighting Poles were not the only field into which he rushed. He had been for some years a fervent supporter of Zionism in Palestine and admired Chaim Weizmann: he was also converted in the course of his many travels around the world to a deep belief in the Indian movement for independence. Both his Indian and his Jewish enthusiasms led to some estrangement between him and Sir Winston Churchill during the 1930s.

Even before he entered Parliament for Chippenham in 1924, Cazalet had become a congenial young friend to Churchill. Besides talking endlessly on politics, they both enjoyed the pleasures of dining well and of playing bezique afterwards. Cazalet in his Journals agreeably noted the occasions when he won at cards. But the Indian and Jewish questions separated the two of them. In the days of appeasement Cazalet became more sympathetic to Lord Halifax and Neville Chamberlain. Of Chamberlain he wrote: "He is incredibly simple, perfectly charming to everyone, but *overwhelmingly* shy. He has a horror of emotion and hypocrisy." During the War, Cazalet was hostile to Sir Winston privately, though not in the House of Commons. He wrote of him to Halifax in 1942: "It now all depends whether he is going to use his War Cabinet as War Cabinet and share responsibilities with them, or whether he is going on in the *old way driving every day nearer* to dictatorship." A curious view since, after 1941-2, the dictating in wartime Britain was coming mainly from Washington and Moscow, once they were embattled. Ten Downing Street had its policies, but they were only sometimes accepted by the Allies.

Mr. Robert Rhodes James has written an admirable biography, *drawing on Cazalet's journals* and letters about his early days at Eton and Oxford and his ordeals in the First World War at Arras, Vimy and elsewhere. During the Russian Civil War after the Revolution, a long visit to the White Forces in Siberia followed. The Cazalet family, who were of Huguenot origin, had Russian connections; but Victor was disillusioned by the poverty and incompetence of Admiral Kolchak's forces. He was equally disappointed when he later went to Soviet Russia in the 1930s. But his enthusiasms for liberty did not abate. Surprisingly one of the best tributes on his death was written by Hugh Dalton to Victor's sister, Thelma Cazalet-Keir: "I shall miss him much. I *found in him not only charm*, and ease, and will, and courage, but a very wide humanity and a character most sensible to the sufferings of others."

Fiction

Sad man

BY MARTIN SEYMOUR-SMITH

Waiting For Sheila by John Braine. Eyre Methuen. £3.25. 186 pages

The Last Summer of the Men Shortage by Geraldine Halls. Constable. £2.95. 211 pages

The Old School by Neil Rathmell. Faber & Faber. £3.95. 207 pages

The Crusoe Test by Mark Nelson. Macmillan. £2.95. 190 pages

I have always believed, apparently heretically, that John Braine's second novel, *The Vodi*, was his best. This explored strange territory, and seems to me to be more convincing than the rather defiant "old-fashioned" realism of *Room at the Top* and its similar successors.

Waiting for Sheila is again *realistic, and again I think* it raises more psychological questions than it can properly answer. But no one can accuse John Braine of being boring or unreadable—or, when he is not being over-strident about the permissive society, of being unintelligent. And in this new, quite short novel he has kept both the issue of modern degeneracy and the matter of the Roman Catholic religion *right* out of the picture. This is a relief, for in the case of Mr. Braine (though not in that of Greene or many others) the things he believes in tend to obtrude into the imaginative texture of his work.

Sheila is the beautiful and faithless wife of Jim Seathwaite, who comes from the north and has made it to the top (a high position in a large department store). Jim lives in the right house in the right town in Surrey, and his job is protected for him by his employer's crippled wife. But he has a problem. Although he dislikes and distrusts his wife, he loves her—or so we are supposed to believe. I found his confessions (written while Sheila is off on her weekly adulterous jaunt with an unknown) rather jejune.

Jim has a special extra sexual problem—the nature of which I will not disclose here, except to say that it has something to do with size and pride—which is really very ordinary and very boring. The descriptions of the sexual act, of which there are a number, are in some indefinable way exceedingly unpleasant.

But does Mr. Braine want Jim to be like this: a boring man with boring hang-ups and an inability to deal with a peculiarly nasty bitch? I think that *perhaps he does, and that he* has been very courageous in giving his reader no direct indication of the fact. This sort of reticence is hardly something one would expect of Mr. Braine; but it certainly adds another dimension to his work. For instead of raging at the world for being immoral, for practising birth control, for not hanging murderers—and so forth and so on—he has given us a vivid glimpse into a wrecked life led by a fairly odious and certainly stupid man. So that haunting the book there is a sense of decency: our relationships, even in this difficult and in many ways horrible world, don't have to be as foul as Jim's are. So that many readers who don't care too much for John Braine may find this novel very different from his others. He has not solved his problem; but he has made a gallant attempt.

The Last Summer of the Men Shortage is by an Australian writer, author of three previous novels. These were about Thailand and India: this new one goes back to the Australian scene in the last years of the war.

Dinah, an aspiring writer (the passages about her early attempts are very funny), is awkward, clumsy and innocent. She is much nicer than the girl with whom she shares a flat, Claudia, but not half as clever with men. By ill luck she meets a sadistic bully, Andrew, who tries to find her a man friend. His reasons becomes apparent in due course. Dinah is far less superficial than all her friends (though, with one surprising exception, they are all really her betrayers), but she is much less good at coping with life. The story of her coming to maturity—which is the real subject of this witty and nostalgic novel—is both moving and convincing. The Australian background is well sketched in. Australia can boast of Patrick White, Christina Stead and Leonard Mann (a neglected latter-day Dreiser), not to mention others. It can also boast of Geraldine Halls, and especially of her fine unobtrusiveness: she is a very accomplished novelist.

The Old School is Neil Rathmell's first novel. It is about a small private preparatory school and the term spent there by a young man who has not much enjoyed teaching at a Liverpool secondary modern (I shall not cast the first stone). Parts of it are very well done, and show *Mr. Rathmell to be a novelist* of promise: others are weak and badly handled.

The personality of the protagonist, and his relationship with his girl, are feebly described—as though the author were not in the least interested in the subject. But the mad headmaster (a nice man) and his equally mad deputy (a monster) are finely portrayed, as are some of the relationships between the boys.

And Mr Rathmell is excellent at conveying the atmosphere of a small preparatory boarding school. Some of us have been tortured at such places, and this author shows us why. I dreamed that I was back, *which is a* tribute to an interesting newcomer—though I can't thank him *for the dream*.

Mark Nelson is the pseudonym of a very successful adventure novelist. This competent thriller, which has a particularly good twist at the end, should bring him in many more readers. A power-mad tycoon leaves a number of his top employees in a luxury yacht without a crew and in a geographical position unknown to them. He is a formidable antagonist, but does he win this time? A good read.

Americans inside Russia

BY DAVID LASCELLES

Russia: The People and the Power by Robert G. Kaiser. Secker and Warburg. £5.90. 501 pages

The Russians by Hedrick Smith. Times Books. £6.50. 527 pages

Both authors are American journalists (Robert Kaiser for the Washington Post and Hedrick Smith for the New York Times) who spent some three years in Moscow for their newspapers in the early 1970s. Their accounts are highly anecdotal and immensely readable.

Most chapters are built round a string of incidents or first-hand experiences linked by a common theme, and sprinkled with that curious brand of Russian humour that is one of the few traits about the Soviet Union the West seems to understand and appreciate.

Russians in public baths, at the race course, complaining and celebrating in their cramped homes: how people are born, marry and die (in all cases under Lenin's benign gaze); how they *weep at the Bolshoi Ballet, and* coolly give foreigners wrong telephone numbers to shake them off; how Pravda is put together (48 hours early); and why Kremlin flags flutter on the stillest days (hidden air vents in the flagpoles).

Both authors settle on two key clues to the Russian character. One is the attitude towards authority. The Russians yearn for a strong boss (which is why Stalin nostalgia lingers on) to give them direction and shoulder their responsibilities (though as Kaiser points out, the buck stops well short of the Kremlin walls). Hence their unquestioning acceptance of the system and the measures necessary "to protect it."

The other is their attitude towards the outside world, on the one hand fascinated, on the other terrified. Everyone, even deadly enemies, closes ranks against a foreigner, which is why they will issue blatent lies to defend a system they scorn in private. Mingle this with their fierce patriotism—constantly fanned by warlike propaganda—and it is not *surprising that most of them will* nevertheless believe that this system is better than what goes on outside.

Yet, as Smith points out, get a Russian in a quiet corner, and his first instinct is to be friendly, which could be why the Kremlin is nervous about permitting too much contact with visitors.

Another good point from Smith is that Russians view all relationships as a test of strength, which makes détente difficult. Not very encouragingly, he concludes that the Russians are unlikely to change. Kaiser takes the more optimistic view that once the West understands that insecurity rather than aggression lies behind Soviet foreign policy, East-West relations will take a big step forward.

Inevitably both books cover much common ground, even the same jokes, and it seems a pity to have to choose between two such panoramic and absorbing works. But Smith, to my mind, gives the fuller and more thoughtful coverage, and his passages on Solzhenitsyn, Sakharov and the dissident movement are some of the best of their kind that I have read.

Pioneer lady's African journal

BY BRIDGET BLOOM

***East African Journey* by Margery Perham. Faber and Faber. £6.95. 246 pages**

Dame Margery Perham is without doubt the doyenne of writers on Africa, one of a handful of people whose academic studies have made possible a real appreciation of the benefits and disadvantages of the colonial experience. Best known perhaps for her study of Lord Lugard, she has written on Kenya, Ethiopia and South Africa and much else besides: but now comes something different.

In 1929-30, not long after coming down from Oxford, she took a year's leave and spent much of it in Africa. In South Africa and Rhodesia, she looked broadly at the problems of race and colour; in East Africa she filled notebooks full of details about colonial administrations. But she also kept a diary, which she circulated to friends instead of writing them letters. It is the second volume of this diary which is now published.

It is (like the first volume, *African Apprenticeship*) both a remarkable and a delightful document. Dame Margery writes with grace, wit, and very considerable perspicacity. A pioneer in her day it is fascinating, for example, to hear her wonder, after describing the vitality of a multi-racial crowd at an agricultural fair in Kenya, whether "Kenya is going to show the rest of the world how Black and White may live together, economically one, politically rather different, socially wholly different." That she suggests, on another occasion, that White settlement in Kenya is "here to stay, at least for a hundred years or more," does not, curiously perhaps, detract from the validity of and fascination of her general approach: She remains determinedly against the exploitation of Black by White whether in Kenya or South Africa. Her attitude moved at least one colonial official to declare that she should be "boiled in oil." Yet she stayed with the Governors of the time, learnt many of their secrets, and with immense energy travelled to the remotest corners of both countries (in African Apprenticeship there is a positively lyrical description of riding in the roadless Lesotho mountains).

What amazes most, perhaps, is to look at the journals from the perspective of a working journalist, covering (almost 50 years later) much of the same territory. There can be none of us working in Africa to-day who would not envy Dame Margery her ability to sit down usually after an enormously tiring day, and write so tellingly

Awaiting Fed credit policy: off 1.88

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 9.

EARLY GAINS were lost on Wall Street to-day and the market closed fractionally lower after investors held back while awaiting a clearer view of Federal Reserve credit policy and clarification of the situation in Lebanon.

The Dow Jones Industrial Average finished 1.88 off at 958.09, after rising 2.70 to 962.67, while the NYSE All Common Index held unchanged at $52.62 and losses led gains by 663 to 636. Trading volume decreased 2.04m. shares to 14.56m.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Cent. Sou. West	556,200	13⅜	−⅛
Imperial America	217,400	13⅜	+⅛
Gulf Oil	214,200	26⅛	+⅛
Dow Chem. New	162,100	43⅜	−1⅜
Virginia Elec.	173,200	13½	+⅛
Unit Nuclear	146,400	29	+1⅛
Texaco	142,600	26⅞	+⅛
Schering-Plough	130,600	49⅞	−⅛
Inexco Oil	138,400	12⅞	+1
Sony	138,300	9⅜	−⅛

Investors were waiting for the latest weekly U.S. money supply figures, which are released each Thursday afternoon, and which often determine future trends of monetary policy and interest rates.

Data released in recent weeks appeared to suggest that the Federal Reserve may be able to avoid further credit-tightening moves for the time being. And analysts said investors may be waiting for more evidence of this in to-morrow's figures.

Skelly Oil jumped $4⅞ to $75⅛—a company spokesman said there were no Corporate developments to account for the rise.

National Semiconductor edged up $⅞ to $42⅛—it said fourth quarter profits "will improve" over the third quarter's 27 cents a share.

United Nuclear added $1⅛ at $29, Stone and Webster $1⅜ at $56⅜, and Utah International $1⅛ at $57.

General Motors shed $⅜ to $68⅛ and Ford Motor lost $⅜ to $57—each have tentative plans to boost 1977 truck prices by 6 per cent.

Time, hit by a strike, lost $1⅛ to $38⅛.

Levi Strauss were off $⅜ to $40⅛, as were Hilton Hotels to $15⅜.

THE AMERICAN SE Market Value Index dipped 0.03 to 101.43, while losses topped gains by 311-to-262.

Presley rose $⅜ to $9⅛ and Syntex $⅜ to $29⅛.

Crutcher Resources fell $⅜ to $7⅜ after news that it is being sold to AEA Investors Inc. for $34m.

Canada mixed

Canadian Stock Markets were mixed in moderate trading yesterday.

The Industrial Share Index lost 0.18 to 188.61, Utilities 0.29 to 142.41, Banks 0.88 to 242.65 and Papers 0.89 to 121.49. But Golds gained 1.32 to 299.12, Western Oils improved 1.24 to 236.45 and Base Metals rose 0.32 to 89.45.

Atco Industries "A" fell $1⅛ to $14—labour unrest earlier this year resulted in a "significant drop" in production, but it reported slightly higher earnings for the year ended March 31.

Dome Petroleum put on $1 to $42⅛.

Rio Algom were up $⅛ to $32⅛.

OTHER MARKETS

PARIS—Irregular with no special factors influencing trading.

Foods, Motors and Public Works were steady, but Oils, Metals and Engineerings were slightly weaker. Chemicals were mixed.

U.S. stocks and Golds were irregular, Germans advanced slightly, while Dutch, British, Canadians and Foreign Oils weakened. Coppers were steady.

AMSTERDAM—Mixed to firm, with Hoogovens off Fls.0.5 in otherwise firmer Dutch Internationals.

KLM were lifted Fls.4.3 to Fls.111.8, pending its 1975-76 figures, due to-day.

Heineken moved up Fls.4.2 and Nationale Nederlanden Fls.1.1. But Ahold lost Fls 2 and Naarden Fls 0.5. HAL also weakened, despite its statement that results in the first five months support an earlier-forecast of a modest 1976 profit.

State Loans were quietly mixed.

BRUSSELS—Slight majority of losses in very quiet trading.

Leaders ending higher were Cobepa, Electrobel, Solvay and Tabacofina, while declines were led by St. Roch, Sofina, Ebes and Finoutremer.

U.S. German and Dutch shares were mixed. Canadians easier, French lower, while U.K. issues were firmer. Gold Mines were slightly higher.

SWITZERLAND — Mixed in selectively active trading.

Small gains predominated in major Banks but Financials drifted lower. Industrials rose on selective support.

State Bonds were well maintained.

Fairly active dollar stocks closed very steady. Dutch Internationals were well maintained, while Germans were slightly higher.

COPENHAGEN—Mixed in active dealings. Banks were firm, while Communications and Insurances were slightly higher and Shippings were firm. Industrials were mixed.

OSLO—Bankings and Shippings were quiet. Insurances remained steady, while Industrials were irregular.

MILAN—Mixed in quieter dealings.

Bonds were fairly steady.

GERMANY—Shares mostly fell in quiet trading, while some Foreign interest was shown in leading Chemicals and Electricals.

Banks, Motors and Engineers eased, although Daimler held unchanged at DM.540 on its expectations 1976 will be a satisfactory year. VW slipped DM3.30 to 129.70 and BMW were down DM4.20 to 241.30.

Domestic Bond changes ranged from DM0.25 up to DM0.50 lower. The Regulating Authorities sold DM4.7m. nominal of stock. Foreign Loans were mixed.

VIENNA—Generally weaker.

Tokyo—Slightly higher with investors encouraged by a Bank of Japan Survey showing domestic business activity picking up smoothly. Volume 260m. (220m.) shares.

Electricals and Motors firmed, reflecting the general recovery of the domestic economy.

Shares with anticipated good business prospects also firmed, including Citizen Watch, Dai Nippon Printing, Tokyo Broadcasting System and General Electric.

But Constructions, Heavy Electric Machinery and Resource shares were lower.

Margin trading in Sanraku-Ocean increased to 30 per cent cash, up from 20 per cent.

JOHANNESBURG—Gold shares closed generally at best levels reflecting higher bullion advices and better than expected dividend payments from the Gold Fields and Anglovaal Groups Gold Mining Companies.

Gains in "heavyweights" ranged to R125, while "medium" and "smaller" issues put on between 5 and 20 cents.

Financial Minings moved in line with Producers but gains were less pronounced. Metals and Minerals were mostly easier.

Industrials were very steady.

AUSTRALIA — Mixed, with Minings generally firmer, while Banks were weak.

Uraniums were very firm, with Pancontinental rising $A1.15 to $A11.70.

Among Banks, Bank of NSW lost 12 cents to $A5.76 in further reaction to its right issue.

BHP, however, gained 16 cents to $A7.94.

Tooth rose 7 cents to $A1.77 following its better than expected profits, while CSR advanced 9 cents to $A4.54.

Pastorals remained firm on the improvement in the wool price.

Among Oils, Woodside Burman firmed 1 cent to 83 cents and Ampol Exploration 4 cents to 80 cents.

Indices

NEW YORK—DOW JONES

	June 9	June 8	June 7	June 4	June 3	June 2	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrials	958.09	959.97	968.09	965.90	975.80	975.95	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
Home Bonds	72.37	72.44	72.31	72.36	72.24	72.16	73.60 (22/4)	69.11 (2/1)	—	—
Transport	210.84	211.74	212.22	214.58	215.29	213.99	220.81 (11/5)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	85.92	85.89	85.88	85.63	85.76	85.60	91.90 (4/2)	84.80 (28/5)	163.32 (20/4/65)	10.58 (28/4/42)
Trading vol 000's	14,560	16,660	14,570	15,860	18,800	16,120	—	—	—	—

	June 4	May 28	May 21	Year ago (approx)
Ind. div. yield %	3.94	3.89	3.80	4.59

STANDARD AND POORS

	June 9	June 8	June 7	June 4	June 3	June 2	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	110.88	110.88	110.78	111.58	112.56	112.70	118.57 (24/5)	101.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
Composite	98.74	98.88	98.65	99.15	100.13	100.22	103.51 (5/4)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	June 2	May 26	May 19	Year ago (approx.)
Ind. div. yield %	3.46	3.49	3.42	3.64
Ind. P/E Ratio	13.59	13.42	13.73	11.28
Long Govt. Bond yield	5.86	5.90	5.85	5.91

N.Y. S.E. ALL COMMON

June 9	June 8	June 7	June 4	1976 High	1976 Low
52.62	52.62	52.52	52.78	[illegible]	[illegible]

Rises and Falls	June 9
Issues traded	1,801
Rises	636
Falls	663
Same	502
New Highs	21
New Lows	35

MONTREAL

	June 9	June 8	June 7	June 4	1976 High		1976 Low	
Industrial	197.59	197.86	198.62	200.16	207.65	(19/5)	176.62	2/1
Combined	191.57	191.91	192.42	193.86	199.76	(20/5)	173.67	2/1
TORONTO Industrials	188.61	188.79	189.21	190.62	197.46	30/2	175.61	2/1
JOHANNESBURG Gold	213.9	213.9	213.7	214.8	[illegible]	[illegible]	174.4	[illegible]
Industrials	210.7	211.4	212.5	212.5	[illegible]	[illegible]	198.6	[illegible]

	June 9	Previous	1976 High	1976 Low
Australia (a)	467.75	465.57	472.91	445.52
Belgium (b)	97.64	[illegible]	[illegible]	[illegible]
Denmark (c)	112.22	111.50	111.50	112.52
France (d)	[illegible]	[illegible]	[illegible]	[illegible]
Germany (e)	747.6	[illegible]	[illegible]	[illegible]
Holland (f)	[illegible]	91.4	[illegible]	91.2
Hongkong (g)	[illegible]	[illegible]	[illegible]	[illegible]
Italy (h)	75.78	73.71	[illegible]	[illegible]
Japan (i)	350.91	[illegible]	[illegible]	[illegible]
Singapore (j)	248.77	250.92	[illegible]	[illegible]
Spain (k)	97.74	99.29	[illegible]	[illegible]
Sweden (l)	455.60	464.60	[illegible]	335.5
Switzerl'd (m)	277.2	275.9	[illegible]	275.3

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (c) Copenhagen SE 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Hang Seng Bank 31/7/64. (h) Milan 2/1/73. (i) Tokyo New SE 4/1/68. (j) Straits Times 1966. (k) Madrid SE 31/12/74. (l) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. † Excluding bonds. ‡ 425 Industrials. § 425 Inds., 50 Utilities and 25 Rails. (c) Closed.

Pound steady

Sterling maintained its recent overall improvement in the foreign exchange market yesterday, with possible intervention from the authorities at times to hold the pound as close as possible to the $1.77 level. It appears that following the sharp improvement on Monday afternoon and the covering of short-term speculative positions on Tuesday morning, the initial buying interest has declined and that overseas investors may be taking a more reserved view of the U.K. economy.

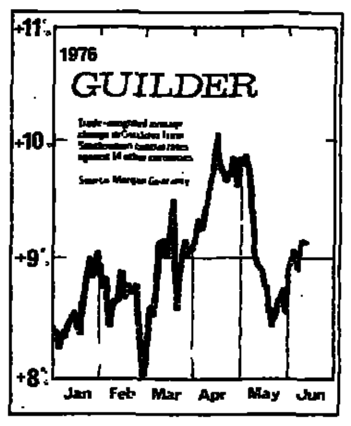
Sterling's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, narrowed to 39.1 per cent. from 39.2 per cent., after standing at 39.4 per cent. at noon and 39.3 per cent. in early dealings.

The pound began at $1.7650-1.7660 and improved to $1.7690-1.7700 in rather quiet trading, before moving up to $1.7760-1.7770 in the afternoon, following demand from New York. At the close however sterling had fallen back to $1.7705-1.7715, a gain of 10 points on the day.

The Swiss franc weakened sharply against the U.S. dollar in early dealings, touching Sw.Frs.2.5250, but improved at the close to Sw.Frs.2.5020, compared with Sw.Frs.2.50 on Tuesday.

The dollar's trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, widened to 1.38 per cent. from 1.30 per cent.

Gold fell $⅞ to close at $126⅛-$127⅛, and the Krugerrand's premium over its gold content narrowed to 3.24 per cent. from 3.63 per cent. for domestic delivery, but was unchanged at 3.63 per cent. in the international market.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	June 9	June 8
Sterling	0.647433	0.645032
U.S. dollar	1.14505	1.14461
Belgian franc	45.2352	45.3666
Deutsche mark	2.93442	2.92970
French franc	5.41752	5.42145
Italian lire	975.897	971.059
Japanese yen	343.458	343.612
Dutch guilder	3.11854	3.12421
Swedish krone	5.07944	5.07635
Swiss franc	2.86835	2.83921

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

June 9	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankf't	—	[illegible]	54.15-20	6.48-49	4.55-56	94.10-15	[illegible]
N. York	[illegible]	—	21.15 to	2.555-540	[illegible]	[illegible]	40.05-05
Paris	[illegible]	[illegible]	—	11.50-461	[illegible]	175.49-29	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	—	70.10-27	14.40-51	[illegible]
London	[illegible]	[illegible]	[illegible]	69.70	—	[illegible]	[illegible]
Am'dam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]
Zurich	[illegible]	[illegible]	52.75-4	[illegible]	[illegible]	[illegible]	—

U.S. $ in Montreal U.S. $=97.34-38 Canadian cents. Canadian $ in New York C.$=102.17-19 U.S. cents. U.S. $ in Milan [illegible]. Sterling in Milan 1512.10-1518.35.

EURO-CURRENCY INTEREST RATES*

June 9 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
Short term	12-13	5⅛-5⅝	8¼-8¾	[illegible]	[illegible]	[illegible]
7 days' notice	12-13	5¼-5⅝	8-10	[illegible]	[illegible]	[illegible]
Month	11¾-12¼	5¼-5¾	9-9¾	[illegible]	[illegible]	[illegible]
Three months	11⅞-12⅜	5⅞-6⅜	9⅜-9⅞	[illegible]	[illegible]	[illegible]
Six months	12⅛-12⅝	6⅝-7⅛	9⅛-9⅝	[illegible]	[illegible]	[illegible]
One year	12⅞-13⅜	7⅜-7⅞	9⅝-10	[illegible]	[illegible]	[illegible]

Euro-French deposit rate: two-day 8-8½ per cent.; seven-day [illegible] per cent.; one-month 9-9½ per cent.; three-month 10⅛-10¼ per cent.; six month [illegible] per cent.; one year 10⅞-11⅛ per cent.

Longer-term Eurodollar deposits: two years [illegible] per cent.; three years [illegible] per cent.; four years [illegible] per cent.; five years [illegible] per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month [illegible] per cent.; three months [illegible] per cent.; six months [illegible] per cent.; one year [illegible] per cent.

* Rates are nominal closing rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

GOLD MARKET

	June 9	June 8
Gold Bullion (a fine ounce) Close	$126⅛-127⅛	$127-127¾
Opening	$126⅛-127⅛	$127-127½
Morning fixing	$126.90 (£71.723)	$126.90 (£71.513)
Afternoon fixing	$127.00 (£71.529)	$127.40 (£71.896)
Gold Coins domestically Krugerrand	$130½-132½ (£73½-74½)	$131-133 (£74-75)
New Sov'gns	$46½-48½ (£26½-27½)	$46½-48½ (£26½-27½)
Old Sov'gns	$43½-45½ (£24½-25½)	$43-45 (£24½-25½)
Gold Coins internationally Krugerrand	$130½-132½ (£73½-74½)	$131-133 (£74-75)
New Sov'gns	$46½-48½ (£26½-27½)	$46½-48½ (£26½-27½)
Old Sov'gns	$40½-42½ (£23-24)	$40½-42½ (£23-24)
$20 Eagles	$208-211	$209-211
$10 Eagles	$104½-107½	$105-108
$5 Eagles	$73-76	$74-77

FOREIGN EXCHANGES

June 9 1976	Bank Rate %	Day's spread	Close
New York	5½	1.7660-1.7770	1.7705-1.7715
Montreal	9½	1.7275-1.7390	1.7320-1.7330
Amsterdam	4	4.81-4.85	4.82½-4.83½
Brussels	7	69.60-70.50	69.70-69.80
Copenh'gen	8½	10.79-10.84	10.80-10.81
Frankfurt	3½	4.52-4.56	4.54½-4.55½
Lisbon	6½	54.40-54.90	54.60-54.80
Madrid	7	120.00-120.50	120.10-120.30
Milan	12	1,497-1,520	1,512½-1,514½
Oslo	5	9.73-9.78	9.75½-9.76½
Paris	8	8.35-8.42	8.37-8.38
Stockholm	6	7.82-7.88	7.85-7.86
Tokyo	6½	525-540	530½-532½
Vienna	4	32.45-32.70	32.45-32.55
Zurich	2	4.42-4.46	4.42½-4.43½

* Base discount. † Given rates are for convertible francs. Closing financial franc 70.80-71.00.

OTHER MARKETS

		Notes Rates	
Argentina	248.57-248.77	Argentina	550-650
Australia	1.4555-1.4485	Austria	[illegible]
Brazil	19.75-19.95	Belgium	70½-72½
Finland	6.89-6.91	Denmark	10.65
Greece	63.915-65.375	Canada	1.72½-1.74½
Hong Kong	8.6975-8.7250	Denmark	10.8-11.0
Iran	[illegible]	France	8.25-8.45
Kuwait	0.517-0.527	Germany	4.45-4.65
Luxembourg	69.70-69.80	Greece	[illegible]
Malaysia	4.5250-4.5425	Italy	1560-1650
N. Zealand	1.7629-1.8051	Japan	[illegible]
Saudi Arab.	5.20-6.50	Netherlands	4.75-4.85
Singapore	4.3505-4.3545	Norway	9.70-9.90
S. Africa	1.5244-1.5496	Portugal	[illegible]
U.S.	—	Spain	115-123
Canada	[illegible]	Switzerland	4.35-4.50
U.S.	—	U.S.	1.76½-1.78½
U.S. cents	102.19-102.21	Yugoslavia	[illegible]

Based on rates quoted by special dealers. ◆ Rate given is Official Rate. SCBRA Rate 442.76-442.96.

FORWARD RATES

	One month	Three months
New York	1.05-0.95 c.pm	2.70-2.60 c.pm
Montreal	0.45-0.35 c.pm	1.20-1.10 c.pm
Amst'dam	2⅛-1⅜ c.pm	7⅜-6⅜ c.pm
Brussels	20 c.pm-par	50-30 c.pm
Cop'nhg'n	5⅜-3⅜ ore pm	10-8 ore pm
Frankfurt	3⅛-2⅛ pf.pm	9⅛-8⅛ pf.pm
Lisbon	20-60 c.dis	40-100 c.dis
Madrid	[illegible]-50 c.dis	50-100 c.dis
Milan	10-20 lire dis	42-52 lire dis
Oslo	5-1 ore pm	9⅛-7⅛ ore pm
Paris	2⅛-1⅛ c.pm	5⅛-2⅛ c.pm
Stockh'm	3⅛-1⅛ ore pm	8⅛-6⅛ ore pm
Vienna	30-10 gro pm	75-45 gro pm
Zurich	4⅜-3⅜ c.pm	12-11 c.pm

Six-month forward U.S. dollar 4.50-4.70c pm and 12-month [illegible] pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—116¼% (114¼%).

NEW YORK

Stock	June 9	June 8	Stock	June 9	June 8	Stock	June 9	June 8	Stock	June 9	June 8
Abbott Labs	42⅝	42⅞	Corning Glass	73½	73⅝	Johns Manville	27½	27⅛	Republic Steel	37⅛	37
[illegible]	[illegible]	[illegible]	CPC Int'nation'l	41⅞	41½	Johnson Johnson	85⅛	85¼	Revlon	75½	75⅛
[illegible]	[illegible]	[illegible]	Crane	35	33⅞	Johnson Control	19⅜	20	Reynolds Metals	37¼	36⅞
[illegible]	[illegible]	[illegible]	Crocker Nat.	23¼	23⅛	Joy Manufactur'g	46⅜	46⅞	Reynolds R.J.	57⅜	58

The remainder of the New York share list and the Canada, Germany, Milan, Australia, Johannesburg, Brussels/Luxembourg, Paris, Tokyo, Switzerland, Spain, Amsterdam, Stockholm, Copenhagen, Oslo and Vienna share tables: [illegible]

GERMANY ◆

June 9	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	90.1	−0.7	—	—
Allianz Versich.	409.5	+4.5	17	1.9
B.M.W.	241.3	−4.2	18	4.0
B.A.S.F.	162.3	−0.7	14	4.4
Bayer	136.5	−0.5	17	6.1
Bayer Hypo.	279	−1	20	3.6
Bayer Vereinsbk.	281	−5	20	2.9
Commerzbank	185.5	−1.7	18	5.0
Conti Gummi	91.5	−1	[illegible]	[illegible]

MILAN

June 9	Price Lire	+ or −	Div. Lire	Yld. %
Assicur. Gen.	615	−1	—	—
ANIC	563	+2	60	—
Assicur. Ita.	3.499	−39	120	5.7
Bastogi	850	…	70	7.8
Breda	1.580	−20	105	9.6
Burgo	9.120	−20	200	2.4
Cantoni	5.090	+140	200	4.2
[illegible]	2.260	−9	—	—
[illegible]	3.920	−20	225	5.8

JOHANNESBURG

MINES

June 9	Rand	+ or −
Anglo-American Corpn.	4.65	+0.05
Charter Consolidated	3.50	+0.05
East Driefontein	12.60	+0.10
Elsburg	2.00	−0.02
Harmony	6.75	+0.10
Kinross	5.47	+0.05
Kloof	8.10	+0.15
Potgietersrust Platinum	2.00	−0.10
St. Helena	24.25	+0.15
South Vaal	[illegible]	[illegible]

Source Nikko Securities, Tokyo.

NOTES: Overseas prices exclude S premium. Belgian dividends are after withholding tax.

FARMING AND RAW MATERIALS

Drought hits French sugar crop

PARIS, June 9.

FRENCH SUGAR beet production this year is unlikely to exceed 3m. tonnes because of *extended dry weather*, M. Jean Lemaitre, president of the Technical Institute of Industrial Sugar Beet, said here to-day.

Production could fall below last year's figure of 2.97m. tonnes if there is not normal rainfall within the next two weeks, he warned. Last month a spokesman for the French Sugar Manufacturers Association cautiously estimated French production this year at 3.4m. tonnes.

M. Lemaitre said taking a total figure of around 600,000 hectares sown, including beet planted for distilling alcohol, 100,000 hectares had already been compromised by dry weather and would give a very mediocre yield.

Another 200,000 hectares would only provide a mediocre yield, while the remaining 300,000 hectares could still give an average yield if there was sufficient rain.

The soil's dryness has completely arrested the early growth of beet.

French Prefects may eventually call a state of disaster in the worst hit Departments if the *longest spring drought since 1943* continues, Government spokesman M. Andre Rossi said.

He told a Press conference this *morning's* Cabinet meeting decided against taking emergency action because the situation might change rapidly.

Reuter

Alcan strike threatens aluminium supplies

BY RHYS DAVID

ALCAN'S MAIN subsidiary, the Aluminum Company of Canada, has been forced to invoke *force majeure* on its aluminium supply contracts following the strike affecting some 60 per cent. of its smelting capacity in Canada.

The *force majeure* announcement, made in Montreal yesterday at the end of the sixth day of the strike, means that Alcan is reserving the right to ration supplies to customers in the event of shortage.

The company says the full extent of any restrictions has yet to be determined but certain *ingot products are more* seriously affected than others. Reductions will be applied fairly *and impartially to all customers* including Alcan's own fabricating affiliates in Canada and other countries.

Alcan's U.K. subsidiary said yesterday that it was still considering its position following the Montreal announcement. The U.K. company with about one third of the British market meets most of its supply commitments from its 120,000 tonnes per year Lynemouth smelter in Northumberland but is also dependent for some of its supplies, particularly more specialised products, on other Alcan sources including Canada.

The Lynemouth smelter, which was running at 80 per cent. of capacity last year has been brought back to around 92 per cent. capacity to meet improved demand and the plant is due to be working at full capacity by the autumn.

Shortages

The Canadian strike, which follows expiry of a wage agreement at the end of last month, has affected three of the company's four smelters and resulted in the shut-down of around 487,000 tonnes of capacity. Before the strike Alcan plants in Canada were operating at around 802,000 tonnes per year capacity, or 80 per cent. of Alcan's total productive capacity.

With total world capacity at around 12m. tonnes the shutdown is equivalent to the loss of around 4 per cent. of world production. Operating capacity world-wide has been running at only around 80 per cent., however, though companies have been bringing plant back into production throughout the year.

Whether the loss of metal from Alcan's smelters does result in any shortages depends to a large extent on the length of the dispute.

Alcan said yesterday it was hoping to lessen the impact through use of stocks and through purchase of ingot and borrowing for later redelivery.

Reports from Japan where Nippon Light Metal said it had been asked by Alcan for emergency shipments of about 15,000 tonnes to help cover shortages suggest this process has already begun. Inquiries are thought to have been made with other producers.

Although immediate shortages are therefore likely to be avoided, a prolonged dispute could bring forward the tight supply-demand situation being forecast for next year and 1978. This may result *in a further hardening of ingot* prices which have already climbed this year to 44 U.S. cents per pound.

Any hardening in prices would be likely to put further pressure on U.K. prices which at £456 per tonne are already substantially below U.S. and European levels.

World rise in price of platinum

By John Edwards, Commodities Editor

A RISE in the world (dollar) price of platinum was announced yesterday by Rustenburg Platinum Mines of South Africa. But the increase of $10 to $165 a troy ounce was rather less than had been anticipated by market sources, and as a result free market values tended to ease slightly after the announcement from the afternoon quotation of £94.10 an ounce ($167).

In fact, Johnson Matthey selling agent for Rustenburg has raised the U.K. minimum price quoted by £6 to £97 an ounce, using an exchange rate of $1.70 to the £, while the free market price reflects the current parity rate of $1.77.

The increase announced by Rustenburg yesterday still leaves the world producer price below the $170 an ounce mark from which it was cut to $155 last October in view of surplus supplies overhanging the market. Prospects are now looking brighter for platinum demand, and Rustenburg has already announced plans to expand its output to meet improved consumption needs.

In these circumstances, the rise of only $10 is viewed as being rather cautious, and possibly reflects the desire to make the new price "stick," and not have to be brought back again as happened last year in the face of consumer resistance.

On the free market, the Soviet Union is reported to have been holding off selling and there has been considerable speculative investment, both in anticipation of a producer rise and as a hedge against currency uncertainties.

COTTON SUPPLIES

Crisis situation for European mills

BY JOHN GARNER

THE RECENT surge in cotton *prices has underlined*, if further emphasis were needed, the troubles now confronting the European textile industry in *obtaining raw materials.*

The Sudan, whose 1975-76 cotton crop was an almost unprecedented disaster, set selling *reserves for the resumption of* business this week at no less than 50 per cent. above the initial rates for last season, announcing that its total supply of long-staples, including that carried forward from the old crop, was little over 500,000 running *bales. Yet Sudan has been over*whelmed with bids, probably for quantities in excess of the entire stock, and has marketed over 30,000 bales at prices generally around 10 per cent. above the reserve level.

Index up

Some weeks ago when there were forecasts of a "price explosion" there appeared still to *be a possibility that larger* plantings in the U.S. accompanied by a downturn in grain prices, and successful crops *elsewhere might prevent* a really serious crisis provided world consumption remained relatively low. It would now appear, that *on all counts*, these hopes are to be disappointed. U.S plantings will almost certainly be smaller than had been hoped, and have been hampered by *poor weather* in many areas. Chicago grain and soyabean values have gained ground significantly. And there have been disturbing rumours of damage to the cotton crop in Russia, which together with the U.S. usually contributes over 40 per cent. of world exports.

Moreover, whereas one might earlier *have hoped* that the Southern Hemisphere (and in particular south Brazil) might increase acreage substantially in response *to the tight world supply outlook*, Brazil's own exports of soyabeans have been concluded at such high prices *as to suggest that cotton plant*ings may again be a disappointment.

The cotton outlook's index of *world prices was around* 68.50 cents per pound cif Europe in early May. Yesterday it was marked up to 76.25 cents and is *still rising.*

The Western European spinning industry has yet to recover from a period in which *business was cruelly restricted* by competition from imported fabric and is clearly in no position profitably to follow the *recent* rise in raw material prices. Synthetic fibre values look attractively cheap and may in some cases prove the mills' salvation.

But *denim* is not noticeably out of fashion, and much of the business may again go to foreign *producers who have been more* fortunate in their raw material purchasing policies.

The most inclement weather for 20 years in Tennessee this season might lead to a massive turnover of cotton acreages to soyabeans this month, a county extension agent in the Macmair County of Tennessee said, reports Reuter.

A good portion of the cotton land has already been ploughed up in the past two weeks, but there is no ready assessment of the extent of the switch into alternative crops.

Heavy rain

The agent said that although it was too early to determine the damage done from cool, wet weather to the young cotton plants, the deadline for replanting (May 25) had passed.

Heavy rains in the past week have prevented field operations and farmers are only now able to plough up their acreages.

The cotton crop damage in Tennessee *"might be* similar across the border in Mississippi but only on a much larger scale," he added.

Tennessee cotton growers indicated in the April 1 planting intentions report by the U.S Department of Agriculture *(USDA) that they would place* 400,000 acres into cotton in 1976 up from 335,000 acres last year. The intentions planting report will be updated on June 30.

Upsurge in cocoa and coffee values

By Richard Mooney

COCOA AND coffee prices on the London terminal markets *advanced significantly yesterday* in the face of heavy speculative buying. September cocoa surged to £1,185 a tonne before easing to close £25.25 up on the day at £1,174.5 a tonne, while September coffee ended the day £21.5 up at £1,510.5 a tonne after reaching £1,533 a tonne at one time.

Cocoa dealers said there was no fundamental news affecting the market and attributed the rise to the return to the market of speculators who had sold out on Monday and Tuesday against the rise in sterling. Trade selling against new crop purchases from Ghana, Nigeria and the Ivory Coast helped absorb some of the upward pressure.

The gains in the coffee market were mainly due to nervousness following the announcement on Tuesday of new Colombian regulations which will force up coffee export prices.

Rail boost for Zambian copper

DAR ES SALAAM, June 9.

THE CARGO capacity of the Tanzam Railway was tripled yesterday with three trains travelling in each direction where only one had been previously employed, an official of the Zambian Copper Industry Office said.

At the moment the railway is carrying about 30,000 tonnes of copper a month, the official said, but added when the line became fully operational later this year it should carry 46,000 tonnes a month.

The increase in the railway's capacity has contributed to clearing the backlog of Zambian imports piled up at the port here. *The introduction of direct loader* ships has cleared the backlog of copper exports and port officials now say the situation has been *reversed with ships queueing for* copper rather than copper for ships.

The Zambian copper official said: *"There is no congestion now and no copper is piled up."* He added, last month there was 19,000 tonnes of copper on docks, which was a normal amount of the metal standing ready for loading.

Earlier this year there was *some 39,000 tonnes of imports* for Zambia and 60,000 tonnes of copper exports piled up on docks.

Plans for the rail link between Tanzania and Zambia began in 1967 with an agreement reached in November 1969. The railway began operation in September 1975.

In Paris, meanwhile officials of the Council of Copper Exporting Countries (CIPEC) said copper price stabilisation, production cutbacks and other market problems will dominate a special two-day Ministerial meeting of the Council starting here to-morrow.

The cutback is bound to be one *of the major subjects up for dis*cussion, following the recent announcement by the Chilean National Copper Corporation (CODELCO) president, Sr. Orlando Urbina, that Chilean mines planned to resume full production next month.

CIPEC Ministers last met in Lima in November, 1975, when it was agreed to extend until June 30 this year the 15 per cent. production cutback.

Reuter

Palm oil futures plan

BY OUR COMMODITIES STAFF

PLANS to relaunch the London palm oil futures market, with amendments to the existing contract, were announced yesterday by the London Vegetable Oil Terminal Market Association. Proposals to review the contract terms of the soyabean oil futures contract, which like palm oil has attracted little trading interest so far, are also being considered.

The amendments to the palm oil market, made after several *months of research with the* Federation of Oilseeds and Fats Associations (FOSCA), have been tailored to meet more closely the needs of the industry, and trade the Association said.

Trading in the new contract will begin on July 14. If the new terms are ratified prices will be quoted in sterling for a contract unit of 50 tonnes. The basis of the contract will be crude unbleached palm oil, in tank Rotterdam.

Lower summer beef prices forecast

By Our Commodities Staff

BEEF PRICES will start to fall at the end of July and should *remain lower throughout the* next three months, Mr. Colin Cullimore, managing director of Dewhurst's, Britain's biggest butchery chain, forecast yesterday.

Then because of the weak pound and a likely cut in the Common Market's farm price exchange rates beef prices will rise from November to a new peak by March next year, he forecast.

Mr. Cullimore was speaking at the opening of Dewhurst's new national training centre and permanent stand at the National Agricultural Centre, Stoneleigh, Warwickshire.

New Zealand wool output rise forecast

BASLE, June 9.

WOOL STOCKS in New Zealand are expected to be extremely low at the end of the marketing season later this month, but production is likely to increase, *according to two speakers at the* International Wool Textile Organisation (IWTO) conference here.

At the end of the market year on June 30, New Zealand wool stocks are expected to total about 55,000 bales, or about a quarter of the total held at the start of the season, according to Mr. David Young, Transport manager for the New Zealand Wool Marketing Corporation.

Sales by the Corporation and at auction to the end of April totalled 1,395,000 bales, up 130,000 bales from last season's 1,265,000 total. Mr. Young said the gain came from both new *clip offerings and from Corpora*tion sales. He added buyers were encouraged in part by the steady devaluation of the New Zealand dollar.

In a separate address, Mr. A. G. Lawrence, a member of the New Zealand Wool Board, predicted wool production would increase in New Zealand with farmers increasing sheep numbers as beef production declines slightly.

He indicated a 2½ per cent. increase in sheep production this season from last season's 55m. total and a similar increase in 1977-78 if prices remained favourable.

Argentine delegation sources at the meeting said Argentina's total exportable wool surplus is expected to be 220,450 tons in 1975-76 of which 81,098 was exported by the end of April. This *figure included an exportable* carryover from 1974-75 of 53,450 tons.

The sources said 1975-76 production in Argentina was estimated at 167,000 tons. Output is expected to increase following recent Government aid for wool growers in the form of an improved rate of exchange.

South African wool production may well increase 1 per cent. or ½ *per cent. during 1976-77*, Mr. J. P. R. Van Wyk, South African Wool Board general manager for marketing, told the meeting.

He said that current prices and growing conditions favoured an increase in production, but no official forecast would be available before September.

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Lost ground on the London Metal Exchange. Forward metal initially rose to £885 on buying prompted by reports that Zambia is seeking to reduce LME warehouse stocks. In the rings however, the price eased to £877 owing to profit-taking and lack of interest. In the afternoon forward metal traded between £878 and £880 before it ended at the lower price on the kerb. Turnover 9,375 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £848.5, 48, three months £881, 80, 79, 78, 78.5, 78, 79, 78, 78.5, 78. Cathodes, three months £869, 68, 67.5, 68. Kerb: Bars, cash £847.5, three months £876, 77.5. Afternoon: Wirebars, three months £880, 79.5, 79, 79.5, cathodes, cash £840.5, three *months £870. Kerb: Bars, three months* £879, 78.5, 78.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Wirebars				
Cash	847.5-8.5	-5.75	849-50	-5.25
3 months	877.5-8	-5.25	879-80	-4.75
Settlem'nt	848.5	-3.5	—	......
Cathodes				
Cash	837-8	-8.25	840-1	-6.5
3 months	867.5-8	-5	869.5	-7.5
Settlem'nt	838	-5	—	......
U.S. Smt.	—	......	*70	......

TIN—Lower again. Prices tended to ease owing to U.S. offerings and sales which were believed to have been on *behalf of the buffer stock manager*, although these were well absorbed by trade buying. Forward standard metal, after falling to £4,430 recovered to £4,450 on the morning kerb but eased afresh to end at £4,435 on the afternoon kerb. Turnover 1,305 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade £	£	£	£	£
Cash	4314-5	+2	4315-18	—16
3 months	4440-7	+15.5	4436-45	—20
S'ment	4315	......	—	......
Standard				
Cash	4313-5	......	4315-18	—16
3 months	4440-5	+13.5	4338-40	—20
S'ment	4315	......	—	......
Straits E	£5183	......	—	......
New York	—	......	*354.00	......

LEAD, ZINC, SILVER, FREIGHTS, COCOA, COFFEE, RUBBER, SUGAR, GRAINS, SOYABEAN MEAL, WOOL FUTURES, MEAT/VEGETABLES, JUTE: [illegible]

COCOA

The firm trend continued with prices *advancing broadly on consumer and* speculative support. First-hand sellers maintained their reserved selling policy, reports Gill and Duffus.

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	June 9 1976	+ or —	Month ago
Metals			
Aluminium (w)	£456	......	£456
Free Market (cif)	£485-510	+15	£465-475
Copper			
Cash Wire Bars (a)	£848-5.5		£835.25
3 months do. do. (a)	£879.5	-4.75	£862.2

[illegible]

COMPANY NOTICES

PUBLIC NOTICES

SOLIHULL METROPOLITAN BOROUGH COUNCIL
£2,000,000 Bills issued 9th June 1976 at [illegible] repayable 8th September, 1976. [illegible]

OBITUARY

MILES.—On the 8th June 1976, after a short illness, Leonard John "Jack" Miles, M.C., aged 93 years of 11, Clare Court, [illegible]

L.G. INDEX—01-351 3466 SEPTEMBER COCOA 1,171-1,176

U.S. Markets

Coffee and cocoa rise: grains firm

NEW YORK, June 9.

[illegible]

مطابق للأصل

NOTICE OF REDEMPTION

To the Holders of

SCOTT PAPER OVERSEAS FINANCE N.V.

(now Scott Paper Company)

8¾% Guaranteed Debentures Due July 1, 1986

Issued under Indenture dated as of July 1, 1971, as supplemented

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, $800,000 principal amount of the above described Debentures has been selected by lot for redemption on July 1, 1976, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

DEBENTURES OF $1,000 EACH

M 5	1081	1968	3202	4550	5758	7019	8121	9480	10873	12082	13378	15348	16862	18202	19154
9	1090	1999	3361	4575	5772	7025	8130	9565	10880	12080	13363	15349	16872	18233	19169
40	1091	2004	3372	4582	5800	7030	8138	9573	10886	12108	13664	15370	16906	18234	19177
65	1099	2009	3376	4601	5815	7069	8264	9575	10908	12149	13673	15374	16911	18249	19179
70	1129	2015	3403	4627	5860	7109	8324	9590	10934	12204	13693	15378	16985	18303	19202
72	1144	2056	3418	4655	5900	7119	8324	9624	11043	12200	13712	15418	16990	18304	19222
78	1185	2071	3496	4681	5905	7150	8384	9664	11048	12254	13713	15461	17003	18358	19226
82	1194	2099	3541	4699	5965	7172	8397	9672	11069	12280	13755	15503	17046	18372	19253
86	1219	2111	3551	4717	6001	7184	8398	9705	11093	12301	13787	15522	17081	18404	19263
145	1220	2155	3556	4726	6034	7206	8439	9722	11094	12356	13808	15571	17087	18408	19278
171	1239	2156	3561	4756	6035	7246	8494	9804	11108	12369	13842	15581	17181	18440	19295
207	1244	2176	3578	4783	6056	7269	8505	9817	11148	12402	13887	15582	17183	18460	19297
217	1245	2181	3624	4793	6090	7277	8569	9897	11175	12410	13894	15620	17204	18465	19302
221	1252	2203	3641	4806	6110	7284	8570	9953	11192	12450	13909	15653	17209	18469	19331
258	1277	2266	3678	4822	6118	7308	8605	9959	11200	12454	13956	15681	17211	18538	19347
263	1287	2273	3721	4848	6144	7321	8669	10039	11219	12472	13974	15697	17215	18566	19348
268	1311	2280	3728	4893	6150	7326	8699	10040	11243	12522	13979	15712	17256	18567	19388
327	1329	2289	3770	4916	6194	7331	8705	10044	11248	12544	13998	15759	17279	18560	19394
345	1348	2339	3802	4943	6199	7337	8713	10114	11260	12550	14046	15786	17351	18590	19410
346	1368	2354	3853	4944	6224	7374	8754	10127	11307	12625	14096	15792	17361	18600	19487
352	1399	2409	3857	4975	6242	7380	8787	10136	11316	12632	14113	15836	17420	18604	19491
395	1439	2417	3871	5008	6274	7434	8794	10147	11342	12714	14129	15838	17427	18636	19496
455	1457	2443	3874	5048	6282	7474	8813	10156	11385	12717	14156	15853	17443	18651	19509
492	1471	2503	3885	5052	6283	7477	8828	10181	11421	12809	14205	15874	17448	18656	19510
509	1497	2517	3898	5093	6333	7489	8875	10230	11476	12816	14222	15892	17483	18675	19561
513	1512	2521	3906	5120	6354	7514	8882	10257	11496	12876	14240	15907	17519	18680	19565
548	1516	2569	3917	5130	6378	7533	8888	10305	11516	12896	14257	15954	17520	18704	19569
565	1527	2591	3948	5133	6430	7534	8950	10327	11540	12902	14319	15967	17534	18709	19591
581	1589	2636	3984	5143	6465	7598	8956	10344	11548	12903	14349	16021	17548	18744	19617
602	1603	2640	3987	5153	6477	7601	8960	10369	11550	12983	14363	16033	17549	18777	19625
651	1606	2702	3997	5213	6545	7644	8973	10397	11607	12999	14396	16063	17590	18783	19656
683	1619	2714	4038	5214	6564	7665	8978	10417	11608	13019	14408	16095	17617	18786	19681
691	1641	2744	4067	5288	6577	7679	9012	10428	11615	13030	14458	16157	17644	18858	19698
727	1646	2746	4104	5298	6595	7701	9035	10431	11669	13068	14481	16164	17682	18874	19701
730	1661	2748	4129	5331	6630	7746	9072	10437	11690	13080	14486	16200	17720	18878	19715
774	1669	2749	4136	5400	6673	7753	9090	10447	11695	13142	14495	16326	17736	18891	19716
786	1690	2778	4186	5411	6676	7776	9142	10485	11724	13190	14524	16372	17780	18932	19746
804	1714	2784	4198	5430	6707	7823	9167	10505	11744	13185	14568	16403	17827	18940	19774
808	1730	2800	4200	5487	6753	7851	9171	10527	11766	13246	14594	16436	17871	18951	19788
849	1737	2830	4243	5493	6761	7868	9228	10590	11782	13247	14656	16445	17878	18983	19815
864	1792	2880	4273	5501	6799	7873	9257	10582	11818	13318	14678	16528	17859	18985	19823
872	1798	2896	4276	5525	6803	7883	9289	10653	11841	13319	14727	16587	17874	19004	19824
915	1816	2940	4334	5540	6829	7890	9301	10684	11860	13324	14743	16644	17888	19008	19878
918	1854	2960	4356	5584	6859	7938	9372	10685	11882	13332	14799	16663	18022	19052	19846
922	1856	3011	4404	5588	6909	7960	9389	10735	11945	13355	14808	16704	18055	19065	19872
960	1871	3015	4426	5618	6943	7982	9402	10761	11967	13381	15244	16763	18088	19101	19912
1002	1907	3030	4434	5622	6982	8022	9403	10781	11978	13403	15246	16767	18153	19104	19919
1012	1908	3044	4485	5665	6997	8029	9418	10801	12023	13432	15273	16800	18166	19123	19954
1024	1949	3113	4491	5687	7011	8040	9458	10827	12027	13548	15302	16805	18198	19128	19984
1026	1954	3135	4500	5708	7017	8082	9488	10871	12046	13562	15344	16834	18200	19150	19999

On July 1, 1976 the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender *thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the* holder either (a) at the corporate trust office of **Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10015**, or (b) at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London and Paris, Banca Nazionale del Lavoro in Milan and Rome, Swiss Bank Corporation in Basle, Geneva and Zurich, Bank Mees & Hope NV in Amsterdam, Crédit Lyonnais in Paris, Société Générale de Banque S.A. in Brussels and Banque Générale du Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a New York City bank.

Coupons due July 1, 1976 should be detached and collected in the usual manner.

On and after July 1, 1976 interest shall cease to accrue on the Debentures herein designated for payment.

SCOTT PAPER COMPANY
By MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, *Trustee*

Dated: May 25, 1976

David Fishlock describes the human problems of workers adapting to automation.

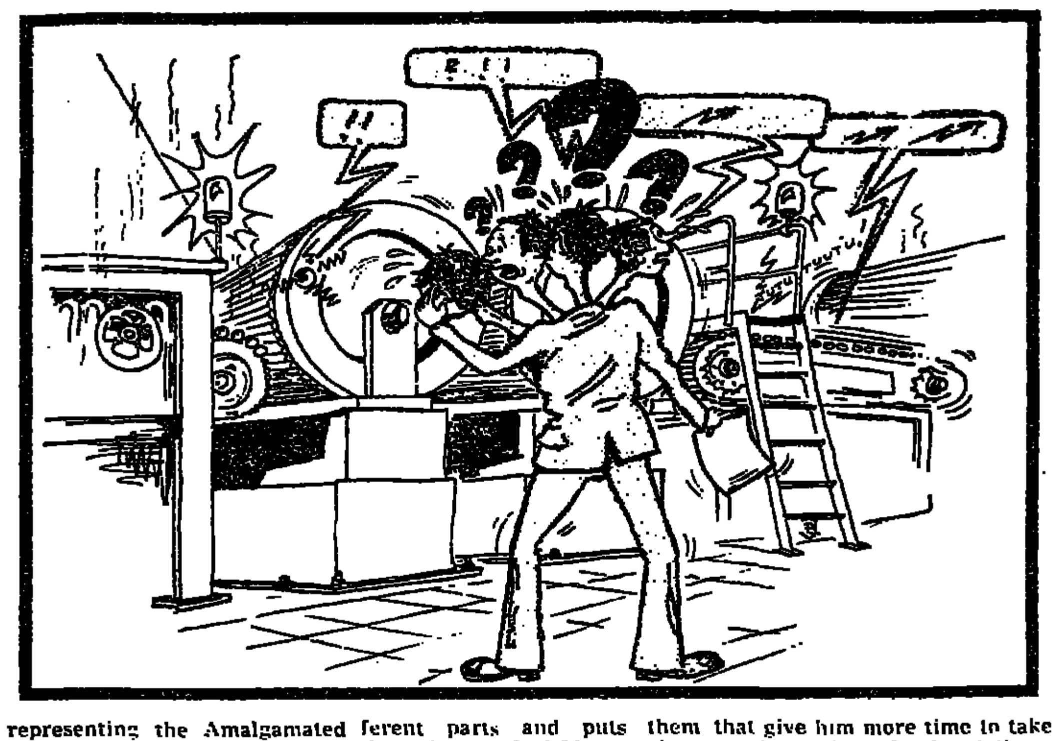
A cautionary tale

GOVERNMENT, UNIONS, and industry in Britain are in accord on one subject if nothing else: that the rate of new investment in industry has been depressingly low. What is much less openly acknowledged — if indeed it is even recognised at all in some influential quarters — is that new industrial investment can be broadly equated with automation.

A symposium in London organised by two of the leading engineering institutions, posed the highly pertinent question: "Reviving the U.K. economy—what can automation offer?" From a dense thicket of technical detail emerges some encouragingly firm evidence of the intrinsic advantages of automation and some equally plain warnings of the manifest weaknesses at present in implementing most automation schemes.

Mr. Bob Clayton, president of the Institution of Electrical Engineers, summing up the symposium, defines automation as "the application of automatic methods of measurement and control to production processes and the associated production plant, which provides the interface between that plant and the operating team." A bit of a mouthful, but the definition embraces what the symposium showed clearly to be one of the most seriously neglected aspects of the subject, namely, the human factor or man-machine relations.

The point was heavily underscored in two quite disparate ways by the speakers. On the one hand there were those who were plainly mesmerised by what they perceived as purely technical obstacles—such as the failure of industry to recognise the profound significance of this or that technique—to the exclusion of the wider issues, and especially the human factor. On the other, there is the example of Mr. John Foster,



representing the Amalgamated Union of Engineering Workers, who in private conversation shows considerable knowledge of and sensitivity to the sociological issues, but from the rostrum hectored his audience with a political polemic.

Enough was said about specific automation schemes to indicate that there now exists a considerable fund of experience of successful automation. One of the most fascinating tales of failure to take full account of the human factor was told by a Dutch engineer, Mr. Peter Sygall, in charge of mechanical engineering at Philips' fluorescent tube factory at Roosendaal. In 1973 they commissioned what he claims to be the most highly automated installation of its kind in the world, comprising two prototype and one full-scale production lines. Each line takes 20 different parts and puts them through a total of 30 operations on ten different machines, to assemble automatically fluorescent tubes.

Initially, the automation exercise appeared to be a brilliant success, with productivity doubled, quality improved, and *fewer rejects than ever before.* Then gradually performance began to deteriorate. What is more, the production staff soon recognised that they were unable to glean reliable information by simply observing these high-speed machines. "In desperation," says Mr. Sygall, they put a small process control computer on the machine to capture data, which soon showed that there was nothing basically wrong with the system.

What gradually emerged was that in eliminating the last manual workers from these assembly operations, they had come to rely unexpectedly heavily on the one remaining operator to rectify a great many minor aberrations. As a result, the operator could become overloaded, and in such circumstances his responses could often worsen a deteriorating performance.

So they arranged for the computer to help the operator by making the more routine deductions he would have made, and by issuing warning signals that give him more time to take evasive action. It also delivers hourly reports on the performance of the line.

Most recently Philips have begun to program the computer to take some action itself when trouble threatens. Not surprisingly, the initial action of the *operator was one of distrust.* But it developed into a sense of competition with the computer, in which the operator loses when it is a case of coping with routine aberrations, but wins when it comes to the unexpected events. In this way a partnership has gradually been established between man and machine, in which the value of the computer is now firmly accepted but which, in Mr. Sygall's view, ensures that the operator will always be retained.

This, of course, is an example of a fortuitous — but highly sympathetic — harmonising of man-machine relations, in a situation admitted to be very favourable from the standpoint of labour relations. No-one had ever been made redundant by automation, claimed Mr. Sygall, and the plant had lost only 1.5 days through a strike in ten years.

Sir Monty Finniston, whose steel industry has about 15 years of experience with computer control of its processes, was more introspective. Where automation had been correctly applied, "there have been clear and very significant benefits to us," he claimed. But there had been "one or two cases" of failure where British Steel had stripped out the entire automation system because it was not performing well.

Sir Monty isolates four lessons British Steel has learned from its forays into automation. First, that the engineering had to be reliable (and the weaknesses tended to be with the mechanical rather than the electronic components). Second, the automation scheme had to enjoy the confidence of operators from the outset—the Corporation had learned this the hard way, through failing to involve them in the design of some of the early systems.

His third lesson was that BSC executives had tended to be over-optimistic in their expectations of what might be gained from the new technology. It had led people to think that things would be "all right on the night" because of the flexibility of the computer. This was not true—automation systems did not differ from other engineering systems in their dependence on sound engineering.

The fourth lesson, Sir Monty said, was discovering how much more closely the subtleties of a process had to be understood before it could be automated successfully. In fact, some of the greatest benefits were to be won not from automation *per se* but from the deeper understanding of the process itself. If this was neglected, automation could prove "an expensive frill."

What can we conclude from these experienced voices? No one would pretend that they answer conclusively the original question. But they leave little doubt that the time is now past for big debates among the engineers on the technology of automation which exists in abundance and has been shown to work well.

The missing factor appears to be a readiness to see automation schemes as systems problems, the implications of which may reach far beyond the machinery to involve operators, maintenance men and activities only peripheral to the project itself. Such automation systems will involve not only a diversity of engineering disciplines, but a very large sociological content as men adapt to the new-style manufacturing methods.

ENTERTAINMENT GUIDE

OPERA AND BALLET

COLISEUM. 836 3161. Until July 17. NUREYEV FESTIVAL. Rudolf Nureyev will dance at every perf. Evgs. 7.30. Mat. Sats. 2.30. Until June 19: LONDON FESTIVAL BALLET. The Sleeping Beauty. Ton't with Evdokimova: Nureyev. June 22 to July 3: Nureyev and Friends. July 5 to 17 The Scottish Ballet.

COLISEUM. 836 3161. LONDON FESTIVAL BALLET. Today at 2.30. Special Mat. of Rudolf Nureyev's production of THE SLEEPING BEAUTY with Patricia Ruanne, Nicholas Johnson

COVENT GARDEN. 240 1066. THE ROYAL OPERA. Tonight & Tues. 7. FAUST. Tomor., Mon. & Wed 7. Don Giovanni. Seats avail. 65 Amphi seats avail. on sale from 10 am on day of perf.

GLYNDEBOURNE FESTIVAL OPERA until Aug 8 with the London Philharmonic Orchestra. Tonight, Sat. & Tues. next at 5.30 Debussy's Pelleas et Melisande. Fri. & Sun. at 5.30 Verdi's Falstaff. Tkts available tonight & Tues. Possible returns only Fri., Sat. & Sun. Box Off. Glyndebourne, Lewes (Ringmer 812411) & Ibbs & Tillett, 124 Wigmore St (01-935 1010).

SADLER'S WELLS TH. Rosebery Ave. EC1. 837 1672. (Recorded bkg. inf 278 5450) UNTIL SATURDAY THE ROYAL BALLET. Evs. 7.30. Mat. Sat. 2.30. Tonight: Les Sylphides, Checkmate, Raymonda Act III. Tomor: Les Sylphides, Lulu, Card Game. Sat: Cenpolia. Seats avail. From Tue. to July 3 Evgs 7.30 BALLET RAMBERT

THEATRES

ADELPHI THEATRE. 01-836 7611. Opening Tuesday Next 7.0. Subs. Evgs. 7.30. Sats. 5.30 and 8.30. Thur. 3.0. IRENE. THE MUSICAL MUSICAL. REDUCED PRICE PREVIEWS TONIGHT, Tomorrow and Monday 7.30. Saturday 2 Perfs. at 5.30 and 8.30.

ALBERY. 836 3878. Evenings at 8.00. Mats. Thurs. 3. Sats 5 and 8.15 sharp. National Theatre production COLIN BLAKELY in EQUUS by PETER SHAFFER. Directed by JOHN DEXTER. "STUNNING and COMPELLING." Stand.

ALDWYCH. 836 6404. Inf. 836 5332. Royal Shakespeare Company. British Premiere of Maxim Gorki's THE ZYKOVS. Tonight, tomor., at 7.30. Sat. at 2.0 and 7.30. In repertoire with Eugene O'Neill's THE ICEMAN COMETH—next perf. June 17.

AMBASSADORS. 836 1171. Evgs. 8.00. Mats. Tuesday 2.30. Sat. 5.30, 8.30. HAPPY AS A SANDBAG. THE WONDERFUL HIT MUSICAL. "Delightful. Don't miss it." Div. Exp.

APOLLO. 01-437 2663. Evenings 8.00. Mat. Thurs. 3.00. Sat. 5.30 and 8.30. PAULINE COLLINS JOHN ALDERTON CONFUSIONS an entertainment by ALAN AYCKBOURN

ARTS THEATRE. Opening Wed., June 16. TOM STOPPARD'S DIRTY LINEN. "Hilarious . . . see it." S. Times.

CAMBRIDGE. 01-836 6056. Tont. and Tomor. 8.0. Sat. 5.0 and 8.15. 2nd "TERRIFIC" YEAR. THE BLACK MIKADO. Norman Beaton (The Fosters TV). LAST CHANCE—LAST 4 PERFS. Opens Weds. June 23 at 7.0.

CAMBRIDGE. 836 6056. Ltd. seas. Janet SUZMAN. Nigel DAVENPORT in Jonathan MILLER'S Production of THREE SISTERS. Reduced price preview Tues. 22nd at 8.0. Sub. Evgs. at 8.0. Weds. Mat. 3.0. Sats. 4.30 and 8.0.

CHICHESTER. 0243 86333. Today and June 12 at 2.0. June 11 at 7.00 TWELFTH NIGHT. Tonight and June 12 at 7.0 NOAH.

COMEDY THEATRE. 01-930 2578. Evgs. 8.00. Sat. 5.15 and 8.30. Mat. Thur. at 3. LAST 2 WEEKS. PAUL SCOFIELD in DIMETOS. Written and Dir. by ATHOL FUGARD. "Splendid." S. Times. "Superb." Time Out.

CRITERION. 930 3216. Evenings at 8. Sats. 5.30 & 8.30. ALEC McCOWEN MICHAEL BRYANT JUDY PARFITT ANNETTE CROSBIE in THE FAMILY DANCE by Felicity Browne.

DRURY LANE. 01-836 8108. Evgs. 7.30. Matinee Wed. and Sat. 2.30. ROY CASTLE as BILLY. LAST 4 WEEKS

DUCHESS. 836 8243. Evenings 8.00. Fri., Sat. 6.15 and 9.00. OH! CALCUTTA! NOW IN ITS SIXTH YEAR. "Breathtakingly Beautiful." S. Tel. "The Nudity is Stunning." D. Tel.

DUKE OF YORK'S. 01-836 5122. Evgs. 8. Sats. 5.15, 8.30. Mat. Wed. 2.30. ELIZABETH SEAL, SHEILA STEAFEL. "Dances stunningly." "Is hilarious." F.T. "The funny and charming." Gdn. SALAD DAYS. "The company are as magical as their piano . . . a touch of spring and daffodils in the West End." D. Telegraph.

THEATRES

FORTUNE. 836 2238. Mon. to Sat. 8. Mats. Sat. at 5. Thur. at 3. LILA KEDROVA SIMON WILLIAMS VERONICA GIGI MARY QUILLIGAN GIGI KERRIDGE. "Matching the best of this sparkling show." Exp. "A triumph." Dly. Mir.

GARRICK THEATRE. 01-836 4601. Evening 8. Fri. Sat. 5.30 and 8.30. "RICHARD BECKINSALE is sidesplittingly funny." Daily Mail in FUNNY PECULIAR. "Mike Stott's exceptionally fine, vastly entertaining, brilliant comedy." S. Times. "More good laughs than any other play in London." Observer.

GLOBE THEATRE. 01-437 1592. Evenings 8.0. Sat. 5.30 and 8.30. BARRY HUMPHRIES in HOUSEWIFE—SUPERSTAR!! ONLY FIVE MORE WEEKS

GREENWICH. 858 7755. Evenings 7.30. Mat. Sat. 2.30. DENHOLM ELLIOTT, PETER WOODTHORPE and ELEANOR BRON in HEAVEN AND HELL—Two divine new comedies by John Mortimer. June 14-26 Nightly 10.30 JOAN TURNER UNLIMITED with her unique one-woman show.

HAYMARKET. 930 9832. Evenings 8.00. Matinee Wed. 2.30. Sat. 5.00 and 8.15. Edward Woodward, Geraldine McEwan, Jennie Linden, Edward Hardwicke in Frederick Lonsdale's ON APPROVAL. "You should rush to see it." Daily Tel. "It got my approval." Evg News. "An evening of comic delights." Harold Hobson. Sunday Times.

HER MAJESTY'S. 930 6606. Evgs. 8.00. Mat. Wed. 2.30. Sat. 5.45 and 8.30. IPI TOMBI. "Pulsating musical." EN. Seats £3 to 50p.

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW. BEST MUSICAL OF THE YEAR. "Impossible to overpraise it." Punch.

LYRIC. 01-437 3686. Evenings 8.00. Mat. Wed. 3.00. Sat. 5.00 and 8.30. JOAN PLOWRIGHT, JOHN MOFFAT, FRANK GRIMES in THE BED BEFORE YESTERDAY. A Comedy by BEN TRAVERS. "THE FUNNIEST SEX COMEDY IN LONDON." Sunday Telegraph.

LYTTELTON new National Theatre. 928 2252. Today (reduced price mat.) 2.30. Ton't, 7.45 WATCH IT COME DOWN by John Osborne. Tomor., Mon. 7.45, Sat. 2.30 & 7.45 Playboy of the Western World. Tues 7 Hamlet. Over 100 excellent £1 seats on sale day of perf. from 8.30 a.m. (75p for mat.)

MAY FAIR. 629 3036. 493 2031. Evgs. Mon.-Thurs. 8.15. Fri., Sat. 6.30, 9. NEW AMERICAN REVUE "WHAT'S A NICE COUNTRY LIKE U.S. DOING IN A STATE LIKE THIS?" "TWO HOURS UNDEMANDING AFTER-DINNER ENTERTAINMENT." Gdn. "FIVE TALENTED YOUNG PLAYERS PUT OVER THE NUMBERS VERY SLICKLY." Evening News. "WHAT A DELIGHTFUL EVENING." F. Times. Combined Dinner/Theatre £5.80.

MERMAID. 248 7656. Food 248 2835. Evenings 8.15. Matinees Sat. 5.00. MILLICENT MARTIN JULIA McKENZIE DAVID KERNAN, NED SHERRIN in SIDE BY SIDE BY SONDHEIM. A Musical Entertainment. "Superlative." Tel. "It's a hit." Evn. Seats from £1. Dinner-Show £5.95.

NATIONAL THEATRE: See under LYTTELTON and YOUNG VIC.

NEW LONDON. Drury Lane. 01-405 0072. Evgs. 8.0. Fri., Sat. 6.0, 8.45. BRIAN PROTHEROE in LEAVE HIM TO HEAVEN. A ROCK 'N' ROLL MUSICAL. "Splendid." Times. "I don't think I should like anyone who didn't find some pleasure in this musical." F. Times.

OLD VIC. 928 7616. Reopens on July 12 with THE WHITE DEVIL

OPEN AIR. Regent's Park. 486 2431. ROBERT STEPHENS, EDWARD FOX in OTHELLO. Opens Tonight 7.45. Subs. Evgs. 7.45. Mat. Wed., Thurs., Sat. 2.30. (Sunday at 8 p.m.) TOM PAXTON.)

PALACE. 01-437 6834. Mon., Thur. 8.00. Fri., Sat. 6.0 & 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM. 01-437 7373. FOR 13 PERFORMANCES ONLY. Tonight and June 10, 14, 15, 17, 18 at 8.0, June 11, 12, 16, 19 at 6.30 and 9.0. JULIE ANDREWS with MICHAEL BENTINE, BOBBY CRUSH, DANIEL REMY

PHOENIX THEATRE SEASON 1976. LAST 4 WEEKS. Evenings 8.0. Mat. Thur., Sat. 3.0. LEE REMICK, KEIR DULLEA, ALFRED MARKS, MIRIAM KARLIN in BUS STOP. "I WAS CLAPPING WITH THE REST OF THE AUDIENCE." Evening News. "WILL PACK THE THEATRE." F.T. BOOK NOW! Tel.: 01-836 8611

PICCADILLY. 437 4506. Mon. to Fri. 8.00. Sats. 5.30 and 8.30. Mat. Wed. 3. JEROME KERN'S HIT MUSICAL VERY GOOD EDDIE. "A treat not to be resisted." Guardian. FULLY AIR CONDITIONED.

THEATRES

PRINCE OF WALES. 01-930 8681. Mon.-Thur. 8.00. Fri., Sat. 5.30, 8.30. "A Great New Musical." Daily Mirror. MARDI GRAS. "Brilliant. Most exciting musical for a long, long time." S. Times. "At last a British musical to sing about." S. Mir. "A really swinging musical." N.o.W.

QUEEN'S. 01-734 1166. Evening 8.00. Mats. Thurs 3.00. Sats. 5.30 and 8.30. Winner of all the awards for Michael GAMBON in SIMON GRAY'S OTHERWISE ENGAGED. Directed by Harold PINTER. BEST PLAY OF THE YEAR

RAYMOND REVUEBAR THEATRE. 734 1593. 7, 9, 11 p.m. (inc. Sunday) PAUL RAYMOND presents THE FESTIVAL OF EROTICA '76

REGENT. 323 2707. Evenings 8.30. Friday and Saturday 7.00 and 9.15. 2nd YEAR OF SENSATIONAL STAGE SHOW OF THE '70s LET MY PEOPLE COME. AN ADULT MUSICAL. "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROYAL COURT. Sloane Sq. 730 1745. "Fantastically successful Beckett season." Harold Hobson Sun. Times. Evenings at 8. Sat. 5 & 8.30. PLAY AND OTHER PLAYS (Play, That Time, Footfalls). "BILLIE WHITELAW IS EXTRAORDINARY." Obs. "PATRICK MAGEE IS DEEPLY MOVING." S. Tel. SEE ALSO THEATRE UPSTAIRS

ROUND HOUSE. 267 2554. Mon.-Th. and Fri. at 6.0 and 9.0. Sats 5 and 8.30. "NOBODY SHOULD MISS." Gdn. LA GRANDE EUGENE. "EXQUISITELY EROTIC." Obs. BOOKING THROUGH JUNE

SAVOY. 836 8888. Evenings 8.00. Matinee Wed. at 2.30 and Sat. 5.00. AVRIL ANGERS and DEREK BOND in AGATHA CHRISTIE'S MURDER AT THE VICARAGE

ST. MARTIN'S. 836 1443. Evenings 8.00. Mats Tues at 2.45. Sats. 5.0 and 8.0. AGATHA CHRISTIE'S THE MOUSETRAP. World's longest-ever run. 24th YEAR.

ST. GEORGE'S—SHAKESPEARE (609 1198) 49 Tufnell Park Road, Islington, N.7. Evenings 7.30. PETER McENERY, SARAH BADEL in ROMEO AND JULIET. "EXCEPTIONALLY MOVING." S. Tel. Repertoire changes Thursdays—Thurs. June 17 to Wed. June 23. ERIC PORTER, LYNN FARLEIGH in TWELFTH NIGHT. "London has acquired a beautiful new Playhouse." Daily Telegraph.

SHAW. 01-388 1394. Evenings 7.30. 7.45. Theatre Company in LITTLE RED HEN by John McGrath.

STRAND. 836 2660. Evenings 8.00. Mats Thurs. 3.00. Sats. 5.30 and 8.30. Doris Hare, McDonald Hobley, Arthur Howard, Barry McGinn. NO SEX PLEASE, WE'RE BRITISH. Directed by Allan Davis. 6th HYSTERICAL YEAR

TALK OF THE TOWN. 01-734 5051. From 8.15 Dining and Dancing. At 9.30 New Revue SWEET TEMPTATION and at 11 p.m. TONY MONOPOLY

TH. UPSTAIRS. 730 2554. Evs 8.15. JOINT STOCK in YESTERDAY'S NEWS. (No mbship. required). Last week.

VAUDEVILLE. 836 9988. Last Perfs. Ton't, & Tomor 8. Sat. at 5 & 8. Margaret LOCKWOOD, Paul DANEMAN and Barrie INGHAM. DOUBLE EDGE. "SUPERB. The cleverest who-dun-it I have seen for years." Daily Telegraph.

VAUDEVILLE. 836 9988. Prev. June 16 at 8.0. Opens June 17 at 7.0. Sub. 8.0. Mat. Tues. 2.45. Sat. 5.0 & 8.15. GERALD HARPER, HANNAH GORDON, UNA STUBBS, PRUNELLA GEE in BAGGAGE. A NEW COMEDY

VICTORIA PALACE. 834 1317. Evenings 8.00. Wed., Sat. 6.00 and 8.45. TERRY SCOTT, JUNE WHITFIELD. A BEDFUL OF FOREIGNERS. "GENUINELY HILARIOUS . . . an exceedingly funny evening." Guardian. Dinner and best stalls £3 inc. (Mon.-Fri.)

WESTMINSTER. 01-834 0283. Evenings 7.45. Mat. Wed., Sat. 2.30. RIDE! RIDE! A Musical about John Wesley. "One of the most astonishing theatrical events . . . this year." Guardian.

WHITEHALL THEATRE. 930 6692. PAUL RAYMOND presents COME INTO MY BED. Twice nightly at 7.00 and 9.00. 2nd SENSATIONAL YEAR

WINDMILL THEATRE. 437 6312. OPENING June 21. Twice nightly at 8.00 and 10.00. PAUL RAYMOND presents RIP OFF. THE EROTIC EXPERIENCE OF THE MODERN ERA

THEATRES
ARE CONTINUED ON PAGE 2

STOCK EXCHANGE REPORT

Equity leaders drift lower in quiet day's trading

Share index down 5.2 at 379.2—Nat. Westminster react

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jun. 1	Jun. 10	Jun. 11	Jun. 22
Jun. 14	Jun. 24	Jun. 25	July 6
Jun. 28	July 8	July 9	July 20

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock Markets made a rather drab showing yesterday in what turned out to be the quietest trading session so far this year; official markings of 4,229 were the lowest since December 29, 1975. *Talk of a large fund-raising* issue kept potential buyers in the background, while a minor re-action in the pound did little to help sentiment initially. Among the rumoured candidates for a "rights" issue were National Westminster Bank, which closed 8 down at the lowest of the day of 215p despite an official denial. Selling of the leaders was on a very modest scale, but the virtual absence of support saw the FT 30-share index drift off to close at the worst of the day with a fall of 5.2 at 379.2, after the recent 19.7 rally from its 1976 "low" of 364.7 recorded last Wednesday.

British Funds were much quieter after the recent good run up. Nevertheless, the basic undertone was firm and prices were inclined harder in places. The Government Securities Index improved a shade further to 62.32.

Overall, the day was uneventful, although company trading statements continued to provide interest here and there. Small mixed movements were the order of the day in secondary issues, but falls were in a 5-4 majority over rises in FT-quoted Industrials, while the FT-Actuaries All-Share index lost 1.1 per cent. to 156.77.

Gilt demand abates

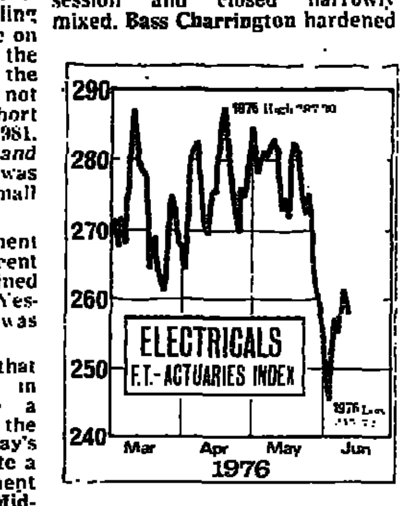
For short-dated British Funds, the day was an anti-climax. Interest was slow and much reduced from the previous day's standard, possibly because of tighter conditions in the money market, but the market gradually regained small opening losses to close with minor gains ranging to ⅛: Treasury 11½ per cent., 1981, for instance, recovered from 98¾ to 99 5/32nds *to show a net improvement* of ⅛. The course of sterling remained a dominant influence on sentiment but a measure of the day's low activity was that the Government broker was not tested for supplies of the short "tap." Treasury 9¾ per cent., 1981. *Meanwhile, the medium and* longer sections of the market was neglected, but occasional small improvements did occur.

A small demand for investment currency found sellers in retirent mood and the premium regained 1⅞ more to 116¼ per cent. Yesterday's SE conversion factor was 0.6796 (0.6859).

Selling fuelled by rumours that National Westminster will, in the near future, announce a large rights issue upset the shares, which closed at the day's lowest of 215p, down 8, despite a late denial. This soured sentiment in the other big banks and Midland drifted down to end 5 off at 265p, while Lloyds lost 3 to 215p, after 212p, and Barclays gave up a penny to 282p, after 280p. Mercury Securities were firm in Merchant banks, improving *3 to 104p in response to* favourable comment. Hambros put on 2 to 177p, but Slater Walker Securities reacted that much to 23p.

Composite Insurances ran into selling against a background of adverse rumour "Royals" lost 8 *to a 1976 low of 270p*, while Sun Alliance shed 7 to 383p and Commercial Union and Eagle Star were both 4 lower at 110p and 112p respectively. General Accident, the only major composite yet to announce a rights issue, lost 3 at 147p, after 146p. Phoenix, however, were unaltered at 198p following the higher first-quarter figures. Brokers came on offer, with C. E. Heath 8 down at 402p following the annual report. Matthews Wrightson shed 6 to 194p and Alexander Howden lost 4 to 154p.

Breweries passed a quiet session and closed narrowly mixed. Bass Charrington hardened a penny to 97p, but Allied cheapened 1½ to 63½p. Elsewhere, Distillers declined 2 to 143p.



Armitage Shanks featured Buildings, rising 4½ to 59p in response to the good results. Record profits helped Rowlinson Construction put on 3 to a 1976 high of 48p, and Westbrick Products hardened a penny to 30p despite lower preliminary profits. AP Cement, on the other hand, lacked *support and lost 4 to 157p*, and Taylor Woodrow were similarly cheaper at 266p. *International* Paint, at 330p, lost 5 of the previous day's gain of 25 and Parker Timber also gave up 5 to 80p. Carron, where Mr. Graham Dowson has just become a director, receded 2 to 58p. Ahead of their preliminary statement, expected *to-day and to-morrow, respectively*, Tunnel Holdings "B" lost 2 to 170p and UBM receded a penny to 54½p.

ICI typified the lethargic mood of the market by moving narrowly between extremes of 361p and 359p before closing unaltered on the day at 360p. Elsewhere in Chemicals, *Brent* put on 3 to 96p but Laporte lost that much to 98p.

Petbow lower

Electrical leaders were inclined to soften slightly in a very thin business. Thorn Electrical closing 4 down at 230p, GEC 2 cheaper at 151p, and Plessey a penny off at 72p. EMI managed an early improvement to 241p but finished only a net penny harder at 239p. Elsewhere, Press comment on the preliminary results brought Petbow down 6 more to 164p for a two-day *loss* of 10. M.K. Electric, with annual figures due to be announced on June 23, cheapened 2½ to 74p, while similar losses were recorded in Racal Electronics, 226p, and Telephone *Rentals*, 93p.

Business subsided to a very low level in the Store leaders yesterday, with prices straying only slightly from overnight levels. The full report left Marks and Spencer unmoved at 92p, after 91p. Debenhams were a shade firmer at 88p, but British Home Stores, 353p, and Gussies "A," 188p, softened 2 apiece. *After the previous day's* improvement of 3, Combined *English Stores eased 2 to 71p in* idle trading, failing to benefit from the chairman's expectation of a considerable improvement in trading conditions before the end of the year. The fall in profits left *Northern Goldsmiths 2 easier at* 86p. Helene of London shed a penny to 8p, but H. Samuel "A" *improved 4 to 128p*, while Thomas Marshall Investments followed the formal offer documents from Wm. Baird with a gain of 1½ to 87½p.

Tube Investments fell 8 to 338p, *after 336p*, while GKN lost 5 to 315p and Vickers 4 to 170p. Hawker provided a contrast, rising 2 to 444p, and Pegler-Hattersley were similarly higher at 152p awaiting to-day's preliminary statement. 600 Group, also due to announce figures to-day, eased ¼ to 73½p. Elsewhere, Stothert and Pitt rose 6 to 102p, Jones and Shipman 5 to 78p and Metropole Industries 4 to 32p. Among smaller-priced issues, J. Saville Gordon, 43p, Burgess Products, 22p, and Delson, 27½p, were all about 2 better, while United Engineering at 24p, regained 3 of Tuesday's late fall of 5 on the annual figures. Spencer Clark Metals gave up 2 to 33p reflecting the first-half setback, while other casualties included Davy International, 4 down at 127p, and Startrite, which receded 3 to 45p.

Foods were quieter than of late *and most leaders shaded a little* with the general trend. J. Lyons gave up 2 at 93p and Tate and Lyle were similarly easier at 256p, the latter awaiting to-day's interim figures. Account profit-taking was held responsible for a fall of 3 to 40p in F. J. Wallis, while Fitch Lovell lost 3 to 51p. On a brighter note, Morgan Edwards picked up 3 to 47p. Peek Holdings improved 1 late to 13p on news of the deal with Kellock Holdings. Hotels were featureless.

Johnson Matthey rise

A minor reaction took place in the miscellaneous Industrial leaders. Metal Box, 269p, relinquished 4 of the previous day's rise of 9 which followed the *higher-than-anticipated* results, while Pilkington ended 3 down at 325p, after 330p, in front of *to-morrow's annual figures*. Glaxo came back 5 to 387p. Unilever, 4 to 468p, and Bowater 3 to 199p. Elsewhere, Johnson Matthey were noteworthy for a rise of 15 to 375p in response to the good fourth-quarter performance. The chairman's good progress report at the annual meeting raised Camrex (Holdings) 3½ to 43½p, while Charrington Gardner Locket benefited from increased profits with a gain of 3 at 33½p. Elson and Robbins, still on the rise in first-half profits, added another 2 at 45p. Portals rose 5 to 149p, Newby Group 4 to 76p, and A. Arenson 3 to 27p, but liquidation of bull positions brought Hanson Trust down 7 to 128p. Press comment on the *results* helped to unsettle Wedgwood, 5 down at 213p, after 209p, while Ozalid, in front of to-day's *results*, declined 5 to 119p. "W" Ribbons lost 4 to 30p and Initial Services 3 to 56p.

Motors and Distributors were basically easier. Rolls-Royce, at 59p, gave up Tuesday's gain of 2, while Dunlop ended a similar amount down at 80p, after 79p. *Lucas Industries eased 3 to 204p.* Against the trend, Kwik-Fit (Tyres and Exhausts) gained 2 to 32p in response to the results. Garages generally eased, but Frank G. Gates, 32p, and Wadham Stringer, 21½p, both held following encouraging statements by the chairmen at the respective annual meetings.

Marginal changes either way in Newspapers included Thomson which, after Tuesday's sharp gain *of 15, eased 2 to 244p and Asso*ciated Newspapers, 2 up at 95p. Paper/Printings were often a shade lower with the exception of Chapman Balham, 3 dearer at 128p despite the second-half slowdown, and More O'Ferrall, which improved 1 to 20p following the *chairman's confident view of* prospects.

Oils under pressure

Shell came under selling pressure, partly from short-term speculators, a development which *soon aroused old views of a possible "rights" issue being in the* offing: the closing level of 432p was the day's worst and 10 down on the overnight price. British Petroleum were also depressed and fell 12 to 613p, while Ultramar came back 6 to 146p, but Burmah lost only 1 to 41p. Tricentrol, too, were reactionary at 48p, down 3, and LASMO/SCOT retreated a like amount to 202p. Royal Dutch, on the other hand, rallied following the rise in the investment dollar premium to close ½ higher at £38¼. Elsewhere, Siebens (U.K.), 170p, continued to behave erratically, losing 10 of the previous day's gain of 40.

Property leaders hardly stirred *in idle trading conditions*. After the previous day's reaction of 2 in the wake of the half-time report, MEPC slipped *a penny* further to 67p. Capital and Counties Property were a *dull* counter at 81½p, down 1½. Elsewhere, the increased profits failed to generate interest in Great Portland Estates, which declined 4 to 212p after Tuesday's improvement of 6. Berkeley Hambro held *steady* at 117p awaiting to-day's preliminary results. Buyers *paid* some attention to Argyle Securities, *which appreciated 3 to 36p*, while speculative interest lifted Intereuropean Properties 2 to 60½p. Also gaining 2 apiece were Percy Bilton, 146p, and Lynton Holdings, 71p.

Among *little-changed* Overseas Traders, Harrisons and Crosfield managed to improve ½ more to £10, making a two-day gain of ¾ on the higher-than-forecast profits and one-for-one scrip issue proposal. Lonrho contrasted with a reaction of 3 to 81p, while James Finlay shed 2 to 127p.

Jersey General rose 8 to 216p in Trusts, where Estates House added 4 at 199p and GT Japan put on 2½ to 125p, the last-named following favourable Press comment. Charterhouse, on the other *hand, lost a penny more to 47p on* further consideration of the proposed rights issue.

Shippings had little to commend them. After the chairman's AGM address, P & O Deferred closed 3 lower at 106p, while Hunting Gibson, at 146p, lost 6 of the previous day's gain of 10 following Press comment on the results.

Textiles closed mixed. Courtaulds drifted down a penny more to 134p, but Vita-Tex improved 2 to 28p. The Tobacco leaders tended to ease on lack of support. Bats ended 3 off at 370p, after 368p, and Imps were a penny lower at 73p.

Guthrie edged forward a penny to 188p in front of to-day's results in otherwise idle Plantations.

Golds up again

Tuesday's rally in South African Gold shares continued yesterday owing to local and Continental demand which was prompted by the further rise in the investment dollar premium, the satisfactory Gold Fields and Anglo-Vaal dividends and despite the easier bullion price, which was finally 25 cents lower at $127.125 per ounce.

A further favourable factor in *gold-uraniums*, was *the "no"* result returned in the Californian referendum regarding cutbacks in nuclear development and the disposal of nuclear waste materials.

Among gold-uraniums, Randfontein were particularly favoured, *rising* a point to £22, while Bartebeest, which announced a better-than-expected final dividend, rose ¾ to £15½. Kloof, which also announced a higher than expected final dividend, put on 35 to 545p. The Gold Mines index gained 3.1 to 185.8.

Overseas-based Financials generally improved in line with Golds and the $ premium. Rand Selection gained 30 to 590p in front of the half-year results. Amcoal were the subject of substantial Cape demand, the shares rising 30 to 490p.

In the London-based issues, Charter closed 6 better at 165p following the encouraging results. Selection Trust advanced a further 15 to 490p, but RTZ gave up 3 to 218p.

Platinums drifted, while Coppers were untested. *In* Tins, Ayer Hitam and Tronoh were both 5 higher at 95p and 250p respectively in front of the proposed change of domicile news. Sungei Besi, which also proposes to change its domicile, were unchanged at 35p.

In generally firmer Australian, Pancontinental rose a further ¼ to £12½, while Ocean Resources gained 3 to 39p.

FINANCIAL TIMES STOCK INDICES

	June 9	June 8	June 7	June 4	June 3	June 2	A year ago
Government Secs.	62.32	62.30	61.67	61.38	61.00	60.67	58.33
Fixed Interest	61.69	61.59	61.40	61.27	60.78	60.77	58.17
Industrial Ordinary	379.2	384.4	385.0	378.5	367.1	364.7	339.8
Gold Mines	185.8	182.7	176.6	178.8	186.0	191.3	374.9
Ord. Div. Yield	5.65	5.59	5.62	5.68	5.84	5.88	5.83
Earnings Y'ld % (full)(a)	16.07	15.89	15.97	16.14	16.60	16.70	17.45
P/E Ratio (net) (a) (b)	9.22	9.32	9.28	9.16	8.95	8.87	8.18
Dealings marked	4,229	5,335	5,482	5,895	6,085	7,252	6,835
Equity turnover £m	—	58.54	60.26	57.39	65.69	61.80	74.37
Equity bargains total	—	14,278	12,849	16,184	17,465	17,948	19,136

10 a.m. 382.4. 11 a.m. 383.3. Noon 383.4. 1 p.m. 380.4. 2 p.m. 379.9. 3 p.m. 380.2.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=9.14.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	59.75 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5/76)	364.7 (2/6/76)	543.6 (19/5/72)	49.4 (26/6/40)
Gold M.	24.96 (2/1/76)	140.1 (6/4/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	June 9	June 8
Daily—		
Gilt-Edged	144.9	172.9
Industrials	139.0	189.0
Speculative	39.7	39.7
Totals	96.5	121.4
5-day Av'rge—		
Gilt Edged	164.5	170.9
Industrials	191.5	217.5
Speculative	40.6	47.3
Totals	123.0	136.8

London airport 'interlink' plan

THE BRITISH Airports Authority has set a provisional *starting date in spring next year* for an air service linking London's Heathrow and Gatwick airports.

It is seeking the views of operators who might be interested *in providing the proposed* service, to be known possibly as "interlink."

The authority foresees an hourly service, with half-hourly trips at peak times. The aircraft *would* carry at least 15 people, and helicopters are being considered.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed. June 9 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) (Corp. Tax 52%)	Est. P/E Ratio (Net) (Corp. Tax 0%)	Tuesday June 8 Index No.	Monday June 7 Index No.	Friday June 4 Index No.	Thurs. June 3 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	143.47	−1.1	15.82	6.18	9.51	9.41	145.07	142.57	142.22	140.04	121.26	160.06	137.18	206.37	50.71
2	Building Materials (30)	128.70	−1.1	13.81	7.09	10.96	10.96	130.11	127.32	127.25	125.63	101.24	150.18	123.78	253.84	44.27
3	Contracting, Construction (23)	198.28	−1.5	18.57	5.49	8.45	8.45	201.27	198.45	196.27	194.57	227.81	260.20	193.00	389.33	71.48
4	Electricals (16)	257.97	−1.2	15.95	4.80	9.26	8.99	261.10	255.69	256.66	252.53	216.38	287.30	245.72	350.04	86.71
5	Engineering (Heavy) (13)	175.19	−1.7	22.96	7.00	6.79	6.79	176.27	171.31	171.85	166.79	144.12	193.18	161.88	202.57	94.43
6	Engineering (General) (63)	134.12	−1.1	15.87	6.55	9.34	9.34	135.66	133.44	133.22	131.00	108.40	149.29	125.48	168.59	45.14
7	Machine and Other Tools (9)	54.17	—	13.97	7.39	12.79	12.75	54.16	53.72	53.85	52.92	42.42	60.62	51.19	136.70	19.96
8	Miscellaneous (25)	129.64	−0.3	14.51	6.53	10.51	10.20	130.04	127.80	127.13	125.36	115.24	141.94	121.53	177.41	49.65
9	CONSUMER GOODS (DURABLE) (53)	125.85	−0.6	16.43	5.28	9.09	9.07	126.61	123.70	123.02	120.09	87.60	141.46	116.86	227.78	38.39
10	Lt. Electronics, Radio TV (15)	139.54	−0.5	14.22	5.90	10.33	10.31	140.27	136.84	136.16	132.57	99.63	160.35	128.75	257.41	42.85
11	Household Goods (13)	166.74	−0.1	18.19	6.89	8.36	8.34	168.92	167.75	166.89	164.29	137.17	187.22	162.00	263.22	65.92
12	Motors and Distributors (25)	77.11	−0.9	19.19	6.80	7.89	7.86	77.80	75.74	75.23	73.51	47.99	85.16	70.05	170.59	19.91
13	CONSUMER GOODS (NON-DURABLE) (168)	145.86	−0.7	14.48	6.23	10.47	10.38	146.81	144.23	144.52	140.81	136.55	162.24	138.95	226.08	61.41
14	Breweries (15)	155.79	−0.1	14.73	7.09	10.19	10.19	155.61	152.91	152.92	150.02	153.29	179.43	147.99	281.37	69.47
15	Wines and Spirits (7)	174.38	−0.9	10.90	5.80	14.03	14.03	175.97	175.95	174.31	171.00	158.10	190.67	169.90	257.40	78.71
16	Entertainment, Catering (14)	171.40	−0.8	14.18	7.70	10.88	10.79	172.78	168.46	168.28	161.77	144.02	211.26	158.17	329.99	54.87
17	Food Manufacturing (22)	165.27	−1.0	15.30	5.25	9.97	9.91	167.02	163.68	163.43	159.70	145.82	179.44	157.25	211.65	59.75
18	Food Retailing (16)	134.04	−1.5	12.75	5.45	11.44	11.44	136.07	132.86	133.71	129.08	136.57	150.05	126.86	235.08	54.25
19	Newspapers, Publishing (16)	166.20	+0.5	12.31	6.23	12.49	12.49	165.38	161.08	161.65	158.94	142.42	184.34	157.01	250.29	55.08
20	Packaging and Paper (12)	100.92	−1.0	17.52	7.77	8.65	8.65	101.97	98.41	98.77	95.93	97.89	112.50	94.92	135.69	43.46
21	Stores (34)	118.20	−0.2	13.14	5.84	11.72	11.70	118.41	116.90	117.17	114.30	123.96	136.24	113.17	204.39	52.65
22	Textiles (23)	151.71	−1.0	9.79	7.53	14.66	13.01	153.31	149.18	150.71	146.07	135.35	183.19	141.90	253.72	62.66
23	Tobaccos (3)	219.99	−0.8	19.83	6.44	7.69	7.69	221.86	219.05	220.63	214.45	183.98	241.89	211.56	339.16	94.34
24	Toys and Games (6)	72.00	−0.5	20.10	7.64	6.92	6.92	72.33	69.55	68.75	68.08	42.03	78.75	59.13	135.72	20.92
	OTHER GROUPS (96)															
25	Chemicals (26)	213.21	−0.1	11.68	5.27	11.91	11.91	213.52	209.91	209.88	204.57	178.98	231.38	199.45	231.38	71.20
26	Office Equipment (9)	94.62	−0.5	12.58	5.48	11.55	11.55	95.15	93.14	92.67	90.80	89.80	100.18	85.09	246.06	45.34
27	Shipping (12)	374.13	−1.1	14.67	6.93	9.46	8.62	378.26	369.21	369.83	365.14	351.07	432.64	355.52	517.00	90.80
28	Miscellaneous (49)	157.10	−0.9	14.21	7.02	10.52	10.51	158.54	155.47	155.51	151.21	141.95	172.98	148.45	258.82	60.59
29	INDUSTRIAL GROUP (496)	151.22	−0.7	14.41	6.07	10.33	10.24	152.29	149.48	149.52	146.09	153.71	165.58	143.68	220.17	59.01
30	OILS (4)	362.64	−2.1	11.80	4.52	9.80	9.07	370.41	372.52	370.36	358.28	277.15	395.84	331.34	431.66	87.23
31	500 SHARE INDEX	168.61	−0.9	13.99	5.83	10.24	10.03	170.19	167.72	167.59	163.49	145.76	183.00	161.90	227.95	63.49
32	FINANCIAL GROUP (100)	123.04	−1.9	—	6.01	—	—	125.42	123.90	123.48	119.93	136.59	153.46	118.52	241.41	55.86
33	Banks (6)	152.25	−1.6	20.34	5.56	7.56	7.56	154.69	155.36	153.73	148.05	162.92	192.16	146.38	288.32	62.44
34	Discount Houses (10)	154.88	−0.4	—	8.93	—	—	155.50	148.56	148.10	147.90	149.19	186.52	147.90	293.13	81.40
35	Hire Purchase (5)	93.53	−0.8	—	6.93	—	—	94.33	95.12	93.96	93.11	87.87	132.10	90.30	433.72	58.83
36	Insurance (Life) (9)	101.31	−2.5	—	7.05	—	—	103.95	100.54	100.98	97.03	110.41	129.46	95.91	194.46	44.88
37	Insurance (Composite) (7)	93.03	−3.5	—	7.55	—	—	96.25	95.46	95.75	93.99	111.25	119.75	92.79	155.76	43.96
38	Insurance (Brokers) (9)	249.68	−1.7	9.50	4.43	15.65	15.65	253.96	249.86	248.62	239.23	198.28	276.90	218.26	276.90	65.86
39	Merchant Banks (16)	74.60	−0.8	—	7.49	—	—	75.21	72.53	71.55	69.87	86.15	93.83	69.72	278.57	31.21
40	Property (32)	152.23	−0.6	3.49	3.33	50.19	50.84	153.18	149.19	149.17	145.45	188.65	194.57	144.37	357.40	56.01
41	Miscellaneous (6)	73.11	−0.2	17.88	8.17	8.76	8.76	73.24	73.31	72.78	70.36	72.81	91.98	69.83	303.13	53.29
42	Investment Trusts (50)	143.29	−0.1	3.55	5.03	29.36	29.34	148.45	146.73	146.41	143.88	168.06	184.55	141.96	245.79	71.63
43	ALL-SHARE INDEX (650)	156.77	−1.1	—	5.82	—	—	158.44	156.23	156.03	152.15	144.10	172.64	150.59	228.18	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	496.28	−0.1	12.00	6.87	12.55	12.58	495.91	493.56	490.06	486.30	468.39	523.40	404.67	555.37	84.68
45	Teas (8)	136.44	—	30.88	8.68	4.39	4.25	136.44	135.64	134.24	132.87	96.56	140.44	117.89	140.44	59.72
46	Coppers (3)	244.03	+3.4	40.50	7.04	2.47	2.47	238.30	232.00	233.41	238.15	393.56	301.47	178.95	567.78	94.08
47	Mining Finance (11)	109.28	+1.1	9.56	4.60	11.73	11.64	108.12	107.47	107.89	109.78	131.76	119.77	86.18	175.90	66.51
48	Tins (8)	110.18	−0.2	11.69	8.22	12.84	12.18	110.42	108.99	104.22	104.34	104.99	115.14	86.09	125.44	54.85
49	Overseas Traders (13)	232.11	−0.7	14.29	4.46	9.10	9.09	233.66	229.23	228.48	226.10	220.23	254.47	222.75	254.47	97.37

	FIXED INTEREST	Wed. June 9 Index No.	Wed. June 9 Yield %	Tuesday June 8	Monday June 7	Friday June 4	Thurs. June 3	Wed. June 2	Tuesday June 1	Friday May 28	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
‡1	Consols 2½% yield	—	14.05	14.04	14.04	14.12	14.21	14.51	14.10	14.18	14.89	—	—	—	—
2	20-yr. Govt. Stocks (6)	48.96	13.28	48.96	48.76	48.53	48.26	47.82	48.60	48.62	46.65	53.45	47.56	115.42	38.27
3	20-yr. Red. Deb. & Loans (15)	50.66	14.59	50.56	50.37	50.38	50.33	50.33	51.18	51.80	46.11	52.40	46.68	113.43	37.01
4	Investment Trust Prefs. (15)	46.93	14.75	46.88	45.43	46.64	46.64	46.64	48.34	48.03	42.29	51.23	45.43	114.41	34.45
5	Coml. and Indl. Prefs. (20)	64.98	14.63	64.89	64.41	64.25	63.54	63.76	64.86	65.58	59.34	71.97	62.76	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	134.76	All Other	10/4/62	100.00
Toys and Games	26/2/70	135.72			
Office Equipment	16/1/70	162.74			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
Commercial Union	25p	10	110	−4	158	108
Royal Insurance	25p	10	270	−8	352	270
Shell Transport	25p	10	432	−10	462	378
ICI "New"	Fy. pd.	9	360	—	379	333
Hanson Trust	25p	8	128	−7	146	121
Lloyds Bank	£1	8	215	−3	266	205
Midland Bank	£1	7	265	−5	320	250
Barclays Bank	£1	7	282	−1	350	265
Beecham	25p	7	375	−1	390	330
Bass Charrington	25p	6	97	+1	114	88
Burmah Oil	£1	6	41	−1	53	31
Charter Cons.	25p	6	165	+6	199	118
Cons. Gold Fields	25p	6	176	+1	220	146
Dunlop	50p	6	80	−2	98	69
Grand Met	50p	6	64½	+½	88	38½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e)

* Premium.

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (10)

BRITISH FUNDS (1)
Transpt. 4pc 1972-77
BUILDINGS (1)
Rowlinson Con.
CHEMICALS (1)
Brent Chems.
ENGINEERING (2)
Ascd Tooling — Bronx Eng.
HOTELS (1)
Brent Walker
MINES (4)
Randfontein Ests. — Oakbridge
Metals Explrn. — Killinghall

NEW LOWS (24)

AMERICANS (1)
ISC
BANKS (1)
Bk. NSW
BUILDINGS (7)
Assd. Ptld. Cement — London Brick
Downing (G. H.) — Melville D. and W.
Ellis and Everard — UBM Grp.
Laing (John) 'A'
CHEMICALS (2)
Anchor Chem. — Carless Capel
INDUSTRIALS (5)
Airfix Inds — Initial Services
Dunbeware — Lonsdale Universal
Fitzwilton
INSURANCE (2)
Guardian Royal — Royal
TEXTILES (2)
Miller (F.) — Stroud Riley Drmmd
TRUSTS (4)
Cap. and Natl. — U.S. Tst. Fund
Sizewell — Suez Fin

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	15	4	40
Corpns. Dom. and Foreign Bonds	31	1	32
Industrials	276	356	1,089
Financial and Prop.	81	102	387
Oils	6	13	18
Plantation	2	0	43
Mines	50	15	72
Recent Issues	12	9	33
Totals	432	500	1,714

Option Report—3-month Call rates

OPTION DEALING DATES First Dealings	Last Dealings	Last Declaration	For Settlement
May 25	Jun. 8	Aug. 19	Sep. 1
Jun. 9	Jun. 21	Sep. 2	Sep. 14
Jun. 22	July 5	Sep. 16	Sep. 28

"Calls" were arranged in British Land, Head Wrightson, Burmah Oil and Dunlop. No "puts" were reported, but double options were transacted in Head Wrightson, English Property and Plessey.

Industrials		Guardian	18	Spillers	4	Shell	27
		G.K.N.	25	Tesco	4	Ultramar	14
A.P. Cement	15	Hawker Sidd.	35	Thorn "A"	22		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	22	I.C.I.	20	Unilever	38	Anglo Amer.	50
Beecham	28	"Imps"	7	Utd. Drapery	8	Charter Cons.	15
Boots Drug	12	I.C.L.	14	Vickers	15	Chartr'll Fin.	4
Bowaters	16	Invresk	7	[illegible]	4	Cons. Gold	15
B.A.T.	30	Legal & General	12	Woolworths	6	De Beers Dfd.	35
British Leyland	5	Ladbroke	11			F. S. Geduld	350
Brown (J.)	51	Lloyds Bank	22	Property		Great Boulder	12
Burton "A"	6	"Lots"	4	Brit. Land	31	Hampton Areas	12
Cadbury	5	"Mams"	7	Cap. Counties	3	Hampton Props.	4
Courtaulds	11	Marks & Spencer	8	E.P.	5	Kloof	100
Debenhams	8	Midland Bank	22	Int. Europe.	7	Lonrho	9
Distillers	13	Nat West Bank	20	Land Securities	14	Loraine	55
Dunlop	7	Do. Warrants	8	MEPC	7	Poseidon	55
Eagle Star	11	P & O Dfd.	11	Peachey	3	Pres. Steyn	200
E.M.I.	17	Plessey	7	Samuel Props.	4	Rio T. Zinc	17
Gen. Accident	12	R.H.M.	5	Town & City	2	Welkom	55
Gen. Electric	15	Rank Org. "A"	18			West Areas	40
Glaxo	35	Reed Intl.	23	Oils		Western Mng.	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. "A"	16	Slater Walker	4	Burmah Oil	4½		

MONEY MARKET

Interest rates steady

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Short-term fixed period interest rates remained fairly steady throughout trading in the London money market yesterday and business in Treasury bills increased *to a much higher level than in* recent weeks. Discount houses buying rates for three-month Treasury bills ended at 10⅞-10⅞ per cent. compared with 10⅞-10⅞ per cent. previously and the three-month sterling certificate yield rose to 11-10⅞ per cent. from 10⅞-10¾ per cent.

Overnight interest rates rose sharply in the afternoon however. In the interbank market rates opened at 10-10½ per cent. and were around 10½ per cent. until *the late afternoon, when they* increased to 15-20 per cent., and touched 35 per cent. in places.

Day-to-day credit was in fairly short supply and the authorities gave a moderate amount of assistance by buying Treasury bills and local authority bills from the discount houses. Banks carried forward run-down balances, there was a net market take-up of Treasury bills, and settlement was made of large official sales of gilt-edged stock. These outweighed *an excess of Government* disbursements over revenue payments to the Exchequer and a fall in the note circulation.

Rates in the table below are nominal in some cases.

June 9 1976	Sterling Certificate of deposit	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank Bills ⊕	Fine trade Bills ⊕
Overnight	—	10-35	—	—	—	—	9½-11½	—	—	—
2 days notice	—	—	10¼-10⅜	—	—	—	—	—	—	—
7 days or 7 days notice	—	10¼-11	10⅝-10⅞	—	10½-11⅛	—	10⅝-10¾	—	—	—
One month	10¾-10½	10⅞-11	10⅝-10¾	11-10½	10½-11⅛	—	10¼-10⅝	10¾	10⅞-10¾	11¼-10⅞
Two months	10⅞-10¾	10½-11	—	11-10½	10½-11⅛	—	10¾-10⅞	10⅞-10¾	10⅞-10½	11¾-11⅝
Three months	11-10⅞	10⅞-11⅛	10⅞-11	11¼-10¾	10½-11½	—	10⅝-10⅞	10⅞-10¾	11-10⅞	11¾-11⅝
Six months	11⅛-10⅞	11-11⅛	11¼-11⅝	11½-10¾	11¼-12	—	—	—	11⅛-10⅞	11⅞
Nine months	11⅛-11¼	11¼-11½	—	11½-11	11¾-12½	—	—	—	—	—
One year	11½-11¼	11-11⅛	11¾-12	12-11½	11¾-12½	—	—	—	—	—
Two years	—	—	12¼-12¾	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 13-13¼ per cent.; four years 13¼-13¾ per cent.; five years 13½-13¾ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11-10⅞ per cent.; and four month trade bills 11¾ per cent. Approximate selling rate for one-month Treasury bill 10⅝-10¾ per cent.; two-month 10⅞-10¾ per cent., and three-month 10⅞-10¾ per cent. Approximate selling rate for one-month bank bills 10⅝-10¾ per cent.; two-month 10⅞-10¾ per cent.; and three-month 10⅞-10⅞ per cent.; for one month trade bills 11½-11¼ per cent.; two-month 11⅝-11½ per cent.; and three-month 11⅝ per cent.

Finance House Base Rates (published by the Finance Houses Association) 10 per cent. from June 1, 1976. Clearing Bank Deposit Rate for small sums at seven days' notice 6½-7 per cent. Clearing Bank Base Rate for lending 10½-11 per cent. Treasury Bill average tender rate of discount 10.5939 per cent.

BASE LENDING RATES

Allied Irish Banks Ltd.	10½%
American Express Bank	10½%
Anglo-Portuguese Bank	11 %
Henry Ansbacher	11½%
Banco de Bilbao	11 %
Banco de Jerez	12 %
Bank of Cyprus	11 %
Bank of N.S.W.	10½%
Banque du Rhone S.A.	11½%
Barclays Bank	10½%
Barnett, Christie Ltd.	12 %
Bremar Holdings Ltd.	11½%
Brit. Bank of Mid. East	10½%
■ Brown Shipley	11 %
Canada Permanent AFI	11 %
Cayzer, Bowater Co. Ltd.	11 %
Cedar Holdings	11 %
■ Charterhouse Japhet	11 %
C. E. Coates	11 %
Consolidated Credits	11 %
Co-operative Bank	*10½%
Corinthian Securities	11 %
Credit Lyonnais	10½%
G. R. Dawes	11½%
Duboff Brothers	11 %
Duncan Lawrie	10½%
English Transcont.	11 %
First London Secs.	11 %
■ Antony Gibbs	11 %
Goode Durrant Trust	10 %
Greyhound Guaranty	11 %
Grindlays Bank	‡10½%
■ Guinness Mahon	10½%
■ Hambros Bank	11 %
Hawtin & Partners	13 %
■ Hill Samuel	§11 %
C. Hoare & Co.	†10½%
Julian S. Hodge	11½%
Hongkong & Shanghai	10½%
Industrial Bank of Scot.	10½%
Keyser Ullmann	11 %
Knowsley & Co. Ltd.	12½%
Lloyds Bank	10½%
London & European	11 %
London Mercantile	11½%
Midland Bank	10½%
■ Samuel Montagu	10½%
■ Morgan Grenfell	10½%
National Westminster	11 %
Northern Comm. Trust	11 %
Norwich General Trust	11 %
Portman Guaranty	9½%
P. S. Refson & Co.	10½%
Rossminster Accept'cs.	11 %
Schlesinger Limited	11 %
E. S. Schwab	12 %
Security Trust Co. Ltd.	12 %
Shenley Trust	12½%
Standard Chartered	10½%
Trade Development Bk.	10½%
Twentieth Century Bk.	12½%
United Bank of Kuwait	10½%
Whiteaway Laidlaw	11½%
Williams & Glyn's	11½%
Yorkshire Bank	10½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
‡ 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7½% and over £25,000 7¾%.
§ Demand deposits 6½%.
† Call deposits over £1,000 6½%.

CORAL INDEX
Close 374-379

INSURANCE BASE RATES

† Atlantic Assurance	10½%
Cannon Assurance	9 %

† Address shown under Insurance and Property Bond table.

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You will be part of a small team reporting to the Directors supplying them with such information as Corporate Plans, Cash Flow projections and operating reports. A computer terminal is used in the preparation of the basic data.

This is an ideal first move from the profession to a group which has a proven commitment to career development and promotion from within and which will initially give one a broad insight into its financial management.

Contact John P. Sleigh, ACCA on 01-405 3499, quoting reference JS/149/NQF.

Lloyd Executive
Brownlow House, 50/51 High Holborn, London WC1V 6ER

Group Financial Controller
International — **£15,000**

This is a major British company — a household name with a high reputation internationally in consumer products. The greater part of both turnover and profit is generated overseas. The Group Financial Controller reports to the Financial Director, and the sphere of operations is worldwide. Essential features of the role are: to operate and develop worldwide financial and management reporting procedures; to monitor performance in all areas of the business and act thereon; to take part in major business decisions in the group. The need is for a qualified accountant with considerable experience of international business and with broadly-based financial — and possibly general management — experience. £15,000 is given as a starting salary indicator. Career prospects in this expanding group are considerable. This post is London based, and some travel will be involved.
(PA Personnel Services Ref: AA32 5639 FT)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise if you have recently made any other applications.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE Tel: 01-235 6060 Telex: 27874
PA
A member of PA International

Mervyn Hughes Group
59 St. Mary Axe, London, EC3A 8AR
Management Recruitment Consultants
01-283 0037 (24 hours)

Group Accountant
Circa £6,500 + Car — **City**

Our client, a major international group of insurance and reinsurance brokers and underwriting agents, requires a Group Accountant. The successful candidate will be a Chartered Accountant with first class training in a major international firm in public practice followed by two years post-qualification experience. The Group Accountant will be responsible to the Financial Director for group financial and management accounts, tax planning, cash forecasting and investigation of acquisitions, and will make occasional visits to overseas associated companies.

This appointment will appeal to accountants who enjoy a challenge and are seeking scope for the exercise of initiative and creative imagination. Benefits include a non-contributory pension scheme, free BUPA. Applications in strict confidence to B. G. Luxton, quoting reference 5686.

Financial careers in a dynamic growth environment

These are genuine opportunities for young accountants with the ambition and talent to achieve top financial management – or general management – positions within about five years. Hestair can offer this kind of systematic career progress because of our strong commitment to growth, self-improvement and particularly to the development of advanced financial systems.

This commitment has already been demonstrated by our performance over the past five years – from a loss-making company with a £2 million turnover, to a Group with a current sales budget of almost £60 million and profits which are likely to put it into the 'Times 300'. This has been achieved through a series of acquisitions followed by reorganisation, improvement and effective financial control: experience which has equipped us with a substantial body of knowledge and a strong base for continuing development.

Hestair is now a diversified group with subsidiaries that export, import, manufacture and distribute. We operate within engineering, paper converting, toys, hi-fi, publishing and have a multi-location service company. Your future career could develop within any of these companies, which all have a high degree of management autonomy. Salaries are high and progress is based entirely on performance.

To apply, you should be aged 23-29 with ACA or ACMA and ideally a university degree. You'll also need a high level of technical proficiency, post-qualification experience in a large professional office or a growth-orientated industrial company, plus uncompromising standards and a fundamental urge for improvement.

If you have the experience, ability and ambition and are stimulated by the Hestair style of management, please write outlining your career to date to: David Hargreaves, Chairman, Hestair Limited, 10 Castle Hill, Windsor, Berks, SL4 1PD.

Hestair Limited

INVESTMENT ANALYSTS

To increase the strength of our investment management team we now need to recruit additional analysts.

They will have the drive and initiative to make a significant mark in a highly successful team. The ability to make value judgements and rapid decisions is essential. They will be of professional standing with relevant degrees or qualifications and ideally have two years investment experience, preferably in institutional work. We would also consider a Chartered Accountant with strong audit experience but limited investment expertise.

Abbey Life is one of the most successful unit-linked life assurance companies in Britain today. From total funds of £350M, our investment team manages some £185M in money market, fixed interest and equity assets in which we aim for good consistent performance.

Abbey Life is a company which rewards energy and initiative and where there are opportunities to progress. Starting salaries are competitive and are reviewed annually.

Applications are invited from male or female candidates who are probably earning between £3,500 and £5,000 at present. Please write, in strict confidence, to:

M. McIvor, Investment Manager,
Abbey Life Assurance Co., Ltd.
Watling House, 35/37 Cannon St, London EC4M 5SN.

Accounting Systems Manager c£6,250

This is a unique opportunity for an experienced, technically orientated accountant to join our sophisticated and progressive financial team.

Reporting directly to the Controller U.K. the man or woman appointed will be responsible for the review and development of the group's financial and management accounting systems and procedures. This involves close liaison with the data processing and other functional departments.

Candidates will be fully qualified Accountants with at least five years relevant industrial experience in medium to large companies. An up to date knowledge and interest in modern accounting methods and the ability to communicate effectively at all levels is essential. Experience of data processing systems would be advantageous.

Salary is negotiable and will depend upon age and experience. Fringe benefits include 5 weeks annual holidays and a contributory pension scheme.

Help with relocation expenses will be provided where necessary.

Write or telephone for an application form to Mr. J. R. Gunning, H.Q. Employment Manager, Hoover Limited, 11, Wadsworth Road, Perivale, Greenford, Middlesex. Tel. No.: 01-997 3311. Ext. 287.

HOOVER

Chief Accountant
Banking–Middle East

is required for one of the largest and long established banking institutions in the Gulf. He will be responsible for the entire accounting system, including internal audit, budgeting, forecasting and optimising the full use of computerisation. Working knowledge of cost accounting desirable with a view to analysing profitable services.

Candidates, who will be qualified accountants aged 30 to 45 years, not necessarily with banking experience, should be strongly profit orientated.

Salary is negotiable around £10,000 tax free, plus free fully furnished accommodation, annual leave and a wide range of fringe benefits.

Please write with brief career details – in confidence – to J. R. B. Hodges ref. B.1016-2.

MSL *World wide*
Management Selection Limited
17 Stratton Street London W1X 6DB

An unique opportunity exists for a
QUALIFIED ACCOUNTANT
with commercial flair, to manage a
SHARE INVESTMENT PORTFOLIO

A public company based in the City requires the executive to maintain under the direction of the Managing Director a constant review of the Portfolio. The successful applicant should be able to analyse and evaluate both technically and commercially any investment opportunity and also be able to negotiate with Brokers and have a basic knowledge of the Stock Market. He/she will be aged [illegible] and if successful can expect to attain rapid advancement in both responsibility and benefits. The person appointed must be both dependable and able to self motivate. Please reply providing full qualifications and business experience to date to: Box A.[illegible], Financial Times, 10 Cannon Street, EC4P 4BY.

INTERNATIONAL CAPITAL BUILDING
OPPORTUNITY FOR EXPERT ON SMALLER ACQUISITIONS AND VENTURE CAPITAL

Accountant, analytical Consultant or Finance Manager with entrepreneurial drive required by private European investors with substantial overseas funds but limited time to build up and manage a number of internationally based direct company investments including venture capital. Fixed income base plus equity participation on favourable terms. Language, overseas and/or particular industry experience preferred but compatible personality and objectives decisive.

Send full details in strictest confidence to:
Mr. J. V. Lawrence,
13 John Prince's Street,
London W1M 9HB.
This is an equal opportunity appointment.

ESTATE PLANNING SPECIALIST
Major International Practice
Initially to £9,000

An exceptional opportunity to join a progressive international practice in London at a senior level.

The appointed individual will probably have an accountancy or legal background, aged between 28/35 with strong technical, personal and practical qualities. He/she will certainly have the capacity to achieve partnership within the practice.

Applicants will require inter alia a sound knowledge of taxes on capital and income and experience of exchange control affecting the financial and taxation affairs of individuals, trustees and companies.

The nature of the appointment is such that it is difficult to provide sufficient information in an advertisement to convey a real appreciation of the scope for personal and technical development.

Therefore write in the first instance to Trevor Atkinson, A.C.A. for a handout on the position advertised, quoting reference 1572. All applications will be dealt with in the strictest confidence.

DLA
Douglas Llambias Associates Limited
410 Strand London WC2R 0NS
telephone 01-836 4086
and 3 Coates Place Edinburgh
EH3 7AA telephone 031-225 7744

Financial Manager

A small international trading company based in the West End of London, requires a general Financial Manager to take charge of the following functions:

- ★ General office and staff administration.
- ★ Accountancy work and book-keeping.
- ★ Company secretarial work.
- ★ Banking and finance.
- ★ Financial investigations.

The applicant will report direct to the Managing Director and will be made Company Secretary.

A substantial starting salary is negotiable depending on ability and experience. Other benefits include non-contributory pension scheme.

The post is likely to interest persons, male or female, with financial and administrative experience who wish to be involved with all aspects of financial management in a small but expanding organisation.

Applications in writing only, giving age and brief details of qualifications and experience, to:

A. J. McDonald, Hays Allan,
Southampton House, 317 High Holborn,
London WC1V 7NL.

Diversified, multinational manufacturer of consumer goods (Annual Sales approx. US$2,000m.) headquartered in the U.S.A. requires:

INTERNATIONAL AUDITORS

Responsibilities include all aspects of financial and operational auditing, reporting directly to the parent company in the U.S. The position requires extensive travel that includes most of the West European countries, but may not be limited to this region. Applicants must be fluent in English and speak a second major European language. Prior auditing experience is essential.

The company offers excellent opportunities for advancement. Salary will depend on experience.

Please write in confidence, stating employment history, experience, amount of travel and desired salary to: Box A.5597, Financial Times, 10, Cannon Street, EC4P 4BY.

THE PAINLESS WAY TO FIND A
SENIOR SECRETARY

If you need a PA Secretary, a person with the Right Background and qualifications to assist you in your work with smooth efficiency, then you also need a high calibre service to interview and short list applicants for you.

Please ring Julie Laycock on 629 5747, the

SPECIAL APPOINTMENTS DIVISION OF ADventure

GENERAL APPOINTMENTS

GENERAL APPOINTMENTS
ARE CONTINUED ON THE FOLLOWING PAGE

David Linnell heads Spar Food

Mr. David Linnell, managing director of Linfood Holdings, has been appointed chairman of SPAR FOOD HOLDINGS. He succeeds Mr. Bernard Elkins who has relinquished the chairmanship of Spar on retirement from business after 43 years in the wholesale grocery trade.

Joining Thomas Linnell and Sons in 1950, Mr. Linnell became managing director in 1963. That company, which was made public in 1972, acquired both before and after that date a number of other wholesale grocery businesses trading in Spar. Following the merger with Associated Food Holdings in 1975, Mr. Linnell was appointed joint managing director of Linfood and is now sole managing director following the retirement of Mr. Elkins.

★

Mr. J. R. Ley has been elected chairman of HAMPTON GOLD MINING AREAS in place of Sir David Barran, who has resigned as chairman and from the Board. Sir David's appointment from the beginning of this year as a deputy chairman of Midland Bank has involved additional pressures on his time, making it necessary for him to resign from a number of Boards.

★

THE deputy chairman of the Metrication Board is to be Mr. James Wood. He succeeds Baroness White.

★

JAMES DREWITT AND SON, Bournemouth, has been awarded a £157,989 contract for erection of a workshop at Elliot Road, Bournemouth, for Dorset County Council. The single-storey workshop will have part basement under and offices adjoining.

Mr. D. W. Allen, a director of Tootal has been appointed chairman of LANTOR INTERNATIONAL, a subsidiary. Mr. P. N. Darley, a director of the parent corncern has become chairman of Home Furnishing Division in succession to Mr. R. F. Audsley, managing director of Tootal. Mr. H. G. Homes has been made managing director of Fabric Division in place of Mr. J. H. Leach, a director of Tootal. Mr. Leach continues as chairman of the division. Mr. Homes has joined the group after 25 years with Unilever.

★

Mr. J. G. Watson has been appointed sales director (U.K.) of GR-STEIN REFRACTORIES (a subsidiary of Hepworth Ceramic Holdings).

Mr. Wood is a member of the Consumer Consultative Committee of the EEC and the National Consumer Council.

Mr. David Linnell

Sir George Godber is to be chairman of the HEALTH EDUCATION COUNCIL when the present chairman, Sir Harold Evans, retires. Sir Harold, who completes his term of office on December 31, was originally appointed for the three-year period ending on December 31, 1975, and subsequently agreed to serve for a further year. Sir George retired in November, 1973, after 13 years as Chief Medical Officer of DHSS. His appointment as chairman will be non-executive and unpaid. He will become a member of the council in the meantime.

★

Mr. Stanley Kitchen has been elected president of the INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES for 1976-77. Mr. Brian Maynard has been elected deputy president and Mr. Eric Sayers, vice-president.

★

Mr. Mike Sanderson and Mr. Terry Savage have been appointed the respective managing directors of Salter Spring and Salter Transport and Plant Hire, divisions of the GEORGE SALTER GROUP. Mr. John Hyde has become a director of Salterfix, Salter Tool and Engineering and Salter Transport and Plant Hire. New directors of Salter Precision Presswork include Mr. John Bache, Mr. Fred Ault, Mr. Stewart Banks, Mr. Brian Pratt and Mr. Len Cutler.

★

Mr. M. E. Hodge is to succeed Mr. N. E. Youens as senior partner of GILBERT ELIOTT AND CO., stockbrokers, from July 1. Mr. Youens will be remaining as a partner of the firm.

★

Mr. W. R. Everitt has been appointed a director of the GLACIER METAL COMPANY, a member of the Associated Engineering Group, and will, on October 1, become managing director in succession to Mr. J. G. Collyear, who was appointed group managing director of Associated Engineering last year. Mr. Everitt is at present managing director of Wellworthy, another AE company.

★

Mr. L. J. A. Bishop has been appointed a director of finance of PFIZER following the retirement of Mr. B. J. G. Page, who leaves the company on July 31. Mr. Bishop will also join the Board.

★

Sir Peter Tennant, industrial adviser to Barclays Bank International, has been elected chairman of the council of the LONDON CHAMBER OF COMMERCE AND INDUSTRY in succession to Mr. C. M. Hughes. Other Chamber elections include Mr. D. James King, senior partner, King and Co., as deputy chairman and Mr. Geoffrey Wood, senior partner, Ove Arup and Partners as treasurer.

★

Mr. John A. Scott has been appointed managing director of DAVOL INTERNATIONAL COMPANY and Mr. John C. Higginson has become marketing manager Europe.

★

Sir Athelstan Caröe, president of the Trustee Savings Banks Central Board, has been elected president of the EEC SAVINGS BANK GROUP in succession to the late Professor Ferdinando Stagno D'Alcontres.

★

Mr. Gavin R. Suggett has been appointed joint secretary with the present secretary, Mr. R. W. D. Skene, of the ALLIANCE TRUST COMPANY and the SECOND ALLIANCE TRUST COMPANY.

★

Mr. Douglas Brown has been appointed a director of BLACK AND DECKER. He is joint managing director of AGB Research.

★

Mr. V. S. Clemow has been appointed chief planning officer of the London Midland Region of BRITISH RAIL.

★

Mr. R. D. P. Gillett has been elected a vice-president of the INSTITUTE OF ADMINISTRATIVE MANAGEMENT.

★

Mr. John F. Phillips has been elected president of the INSTITUTE OF ARBITRATORS.

★

Mr. John Lawrence has been appointed marketing director and Mr. Anthony Sayer, warehouse and distribution development manager of SPICER-COWAN.

★

Mr. John F. Brignall has been invited to join the Board of FPA CONSTRUCTION GROUP as a non-executive director from June 23.

★

Mr. John B. Quin has been appointed finance director of PETBOW HOLDINGS and PETBOW LIMITED. He was previously finance director of Goldcross Hospital Supplies.

★

Mr. Ian McEwan, a partner in Buckmaster and Moore, stockbrokers, has been appointed a non-executive member of the Board of the SOLICITORS' LAW STATIONERY SOCIETY.

★

Mr. C. J. N. Sykes has been appointed deputy chairman of LOPEX. He will succeed Mr. R. D. L. Dutton as chairman on Mr. Dutton's retirement in August, while retaining his position as group chief executive of the company.

AAC

Rand Selection Corporation Limited

(Incorporated in the Republic of South Africa)

REPORT FOR THE HALF-YEAR ENDED 31st MARCH 1976

The following are the unaudited results of the corporation and its subsidiaries for the half-year ended 31st March 1976 together with comparative figures for the half-year ended 31st March 1975 and the year ended 30th September 1975. These should be read in conjunction with the notes below:

	Half-Year ended 31.3.76 R000's	Half-Year ended 31.3.75 R000's	Year ended 30.9.75 R000's
Group profit before taxation	22 233	21 131	49 659
Deduct: Provision for taxation and deferred taxation	339	418	49
Profit after taxation	21 894	20 713	49 610
Deduct: Minority interests	410	631	1 121
	21 484	20 082	48 489
Deduct: Preference share dividends	1 184	—	388
Group equity profit attributable to Rand Selection Corporation Limited	20 300	20 082	48 101
Cost of interim dividend No. 118 of 30 cents a share	12 675	13 368	31 924
Number of shares in issue at end of respective periods	42 250 152	41 774 279	41 774 279
Earnings per share—cents	48.0	48.1	114.5*
Dividends per share—cents	30.0	32.0	75.0

*Adjusted to reflect that in terms of a Scheme of Arrangement, the corporation acquired the minority interests in South African Townships Mining and Finance Corporation Limited as from 1st April 1975. The adjustment is based on the issued share capital at 30th September 1975 and a pro-rata proportion of the 475 873 shares allotted on 31st October 1975 under the Scheme of Arrangement.

Notes:

1. It should not be assumed that the results for the first half of the year are necessarily proportionate to the results for the year ending 30th September 1976 for the following reasons.
   (a) Investment income does not accrue evenly throughout the year. Further, the figures for the half-year ended 31st March 1976 are not comparable with the corresponding position in 1975 as there has been a significant increase in investment income during the half-year ended 31st March 1976, such income only having been accrued in the second half of the 1975 financial year.
   (b) The realisation of general investments fluctuates in accordance with policy decisions and market conditions;
   (c) certain costs, particularly those incurred on prospecting, vary materially from time to time.
2. On current estimates it is not expected that the Corporation's net profit for 1976 will equal that of 1975. This largely arises from generally lower dividends expected for the year on the group's direct and indirect interests in gold mining companies.
3. Particulars of the group's listed general investments and the net asset value are as follows:
   (a) Listed general investments†

	At 31.3.76 R000's	At 31.3.75 R000's	At 30.9.75 R000's
Market value	644 288	832 040	703 695
Book cost	259 853	227 127	233 467
*Appreciation	384 435	604 913	470 228

†Excludes listed investments held by the life assurance subsidiaries which are valued in accordance with the practice of life assurance companies and for which market values are not disclosed.

*Includes the shares in Charter Consolidated Limited held by Rhochar Holdings Limited at market value.

	At 31.3.76	At 31.3.75	At 30.9.75
(b) Net asset value—cents per share**	1 583	2 209	1 739

**Which includes unlisted general investments at book value with the exception of Rhochar Holdings Limited which has been included at the market value of the underlying Charter Consolidated Limited shares held by that company, and excludes excess of cost of shares in subsidiary companies over book value of net assets at the dates of acquisition.

4. Schlesinger European Investments Limited (S.E.I.)
   As announced in the press on 6th February 1976 by Anglo American Corporation of South Africa Limited (Anglo American), Rand Selection Corporation Limited (Rand Selection), Schlesinger and Associates (Schlesinger) and Sorec Limited (Sorec) an overall arrangement has been concluded whereby Schlesinger's have acquired the entire minority holding of the Rand Selection group in S.E.I. and Trident Life Assurance (Trident), and have released Rand Selection from all liabilities and obligations undertaken in relation to the S.E.I. group.
   As a part of these overall arrangements, Anglo American and associates have acquired the entire holding of Schlesinger in Rand Selection and Rand Selection has, in turn, received from Anglo American and associates various investments with an equivalent value to Rand Selection's minority holdings in S.E.I. and Trident.

NOTICE OF DECLARATION OF INTERIM DIVIDEND NO. 118

Notice is hereby given that dividend No. 118 of 30 cents a share (1975: 32 cents), being an interim dividend for the year ending 30th September 1976, has been declared payable to shareholders registered in the books of the corporation at the close of business on 25th June 1976 and to persons presenting coupon No. 121 detached from share warrants to bearer. A notice regarding payment of dividends on coupon No. 121 detached from share warrants to bearer will be published in the press by the London Secretaries of the corporation on or about 18th June 1976.

The tansfer registers and registers of members will be closed from 26th June to 9th July 1976, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 29th July 1976. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 20th July 1976 of the rand value of their dividends (less appropriate taxes). Any such shareholders may however elect to be paid in South African curency, provided that the request is received at the offices of the corporation's transfer secretaries in Johannesburg or in the United Kingdom on or before 25th June 1976.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the corporation and also at the offices of the corporation's transfer secretaries in Johannesburg and the United Kingdom.

GENERAL

Copies of this report will be despatched to all registered shareholders from the office of the transfer secretaries in Johannesburg and the United Kingdom as soon as possible.

For and on behalf of the Board
G. W. H. Relly | Directors
H. F. Oppenheimer

Registered Office:
44, Main Street,
Johannesburg, 2001.

Transfer Secretaries:
Consolidated Share Registrars Limited,
62, Marshall Street,
Johannesburg 2001.
(P.O. Box 61051 Marshalltown 2107) and
Charter Consolidated Limited,
P.O. Box No. 102,
Charter House, Park Street,
Ashford, Kent, TN24 8EQ.

9th June, 1976.

GENERAL APPOINTMENTS

MLH CONSULTANTS LTD.

MLH, due to increasing commitments at home and overseas, is extending its consultancy strength by the recruitment of the following Senior Consultants:

Financial Consultant

Probably a qualified accountant with varied experience in industry, banking or consultancy. Ideally between 30 and 40 years old, with abilities to move outside the financial sphere in order to assess overall company performance and implement improvements. Capable of leading or working in an investigation team of mixed disciplines.

Marketing Consultant

Ideally between 27 and 40 years old, with proven success in marketing line management in the consumer or industrial fields. Previous experience in market research or other investigatory work would be useful. Ability to think clearly and present ideas logically on sales effectiveness, market planning and company strategy at Board level, is important.

Industrial Engineering/Labour Relations Consultant

Probably 35-45 years old and engineering qualification desirable. A mature ability to deal with staff and their representation at all levels is vital. Production or industrial engineering experience would be valuable in creating in depth participative training programmes in a wide variety of environments.

All positions are based in London though travel in the U.K. and overseas is normal. MLH is an international consultancy engaged in government-sponsored studies, company evaluations and industrial relations and training programmes. It is under the Chairmanship of Lord Robens and is associated with a major bank. The work is highly varied and much depends on personal initiative. Starting salaries are high and progression to Director/Principal is possible from all positions.

Initially applicants should apply with full career details to:

Brian Quinn.
MLH Consultants Ltd..
148-150 Grosvenor Road.
London, SW1V 3JY.

MLH

COMMODITY TRADER

Well-known company dealing in commodities and part of a large group with extensive interests in the Far East are looking for a trainee dealer 22-25. Some commercial experience required, preferably with a stockbroker or jobber. Education: good "A" levels as a minimum. Salary: £3,000-£3,500 and bonus.

Apply Box A.5603, Financial Times, 10, Cannon Street, EC4P 4BY.

THE LONDON & WESTMINSTER (STERLING BROKERS) LIMITED

REQUIRE EXPERIENCED C.D. BROKERS

APPLY PETER HIRD 01-729 1444

GENERAL APPOINTMENTS ALSO APPEAR TODAY ON PAGE 2

APPOINTMENTS WANTED

CEYLON. QUEEN'S COUNSEL. Specialist in Business law seeks suitable position.—Write Box A.5604, Financial Times, 10, Cannon Street, EC4P 4BY.

Scandinavian Banking

Citibank NA has offices in Norway, Denmark and Sweden with extensive commercial and merchant banking relationships throughout Scandinavia. Our present need is for additional managers fluent in at least one Scandinavian language, with 2–10 years' industrial, commercial or professional experience, not necessarily gained in the financial sphere, who have the intellectual flexibility, judgement and vision for present-day banking. The appointments, open to men and women, will initially be for two years or more in London prior to assignment in Scandinavia; and there are longer term opportunities worldwide. Compensation and benefits will be appropriate to one of the world's largest international banks.

Please write with details of your education, experience and present remuneration to: Mr Garrett F. Bouton, Vice President, Citibank NA, 336 Strand, London WC2R 1HB.

Confidentiality will be fully respected.

CITIBANK

CONSULTANT ECONOMIST

A leading publisher and consultant in bulk shipping and oil transportation wishes to expand its team of senior economists.

The successful applicant will ideally have experience in the shipping/commodity fields, have a numerate background and is unlikely to be under 30. The appointee will be expected to contribute to major publishing and consultancy projects and must therefore possess an inventive and creative mind, together with an ability to analyse supply/demand patterns, trade flows and related shipping markets, and to develop comprehensive forecasts and present conclusions effectively.

An excellent salary is offered with substantial bonus potential, non-contributory pension fund, four weeks holiday and the opportunity of international travel.

Please write with full details of your experience and a curriculum vitae to the:

Managing Director
H. P. DREWRY (SHIPPING CONSULTANTS) LIMITED,
Palladium House, 1-4 Argyll Street,
London W1V 1AD

Portfolio Manager

London — Salary Negotiable

Our Client is a major, progressive N. American financial organisation, specialising in the management of international Trusts and Investment portfolios, with emphasis on the United States and Canada as much as the U.K.

The Company now wishes to augment its Investment Department by appointing an Investment Officer. He/She will work closely with a team of professionals but will have specific responsibility for his/her own group of substantial Private and Institutional Clients.

Probably aged around 30, the successful candidate will already have accumulated considerable experience in these markets and will also display the ability to handle both the very senior people and the very large sums involved.

Excellent fringe benefits include mortgage assistance and attractive pension, life assurance and sickness schemes.

To discuss the position more fully—and in strict confidence—please telephone John Chiverton, A.I.B. on 01-405 7711.

David White Associates Ltd.
HAMPDEN HOUSE, 84 KINGSWAY, W.C.2.

CORPORATE FINANCE

We are an international merchant bank in London looking for an assistant for the manager of our corporate finance department. You should have a professional qualification or MBA and some experience of corporate finance.

There are good prospects and suitable rewards in an expanding part of the bank's business.

Write to Box A.5596, Financial Times, 10, Cannon Street, EC4P 4BY.

EUROBOND DEALER

London based International Bank is seeking an experienced Eurobond Dealer to assist in the expansion of its already well-established trading department. Fluency in German and/or French desirable but not essential.

Good salary and fringe benefits will be offered. Reply with Curriculum Vitae to Box A5595, Financial Times, 10, Cannon Street, EC4P 4BY.

INTERNATIONAL ENERGY BANK LIMITED

now wishes to appoint an experienced banker to assist in the development of its interests in the petroleum sector.

This important new position requires sound knowledge of the euro-currency markets, combined with ability to structure and negotiate complex financing packages. Familiarity with the petroleum industry would be an advantage.

Please write enclosing a curriculum vitae in complete confidence to:— P. H. P. de Pelet, Assistant General Manager, International Energy Bank Ltd., 100 Old Broad Street, London, EC2M 1BE.

BUCKMASTER & MOORE GILT DEPARTMENT

invites enquiries from interested parties wishing to join their sales team.

The ideal candidate will have some experience with a Gilt Edged broker of fund management experience with a large institution and be interested in changing to a selling function.

The successful candidate will be conversant with switching techniques.

The department has computer-based support on which analytical work is being carried out by our Actuary.

Remuneration commensurate with experience.

Replies in confidence to: W. Toy, Buckmaster & Moore, The Stock Exchange, London EC2P 2JT. Telephone, 01-588 2868.

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Classified Advertisement Manager,
Financial Times, 10 Cannon Street, EC4P 4BY

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Bishopsgate Progressive Mgmt. Co.♥
9 Bishopsgate E.C.2. 01-588 6280

B'gate Pr. June 8	123.1	131.2	.....	3.92
Acc. Uts. June 8	139.1	148.2	.....	3.92
B'gate Int. June 1	129.3	138.0	.....	2.94
(Accum.) June 1	137.7	146.0	.....	2.94

Next sub day June 15. *June 22.

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	50.6	53.2	−0.2	4.44

Framlington Unit Mgt. Ltd.♥
5-7, Ireland Yard, EC4B 5BH. 01-248 6971

Capital Tst.	56.2	59.6	.....	5.17
Income Tst.	54.6	58.0	.....	7.64

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking 0306 5055

Friends' Prov. Uts.	29.4	31.4	−0.2	4.99
Do. Accum.	35.3	37.7	−0.2	4.99

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

						IRISH		
Albany Inv. 20p	28	.....	Higsons Brew.	93	.....	Conv. 9% '80/82	£85¾	+½
Ash Spinning	24	.....	I.O.M. Stm. £1	133	.....	Alliance Gas	65	.....
Bertam	23	.....	Holt (Jos.) 25p	230	.....	Arnott	225	.....
Bdgwtr. Est. 50p	235	.....	Kleen-e-Ze	21	.....	Carroll (P.J.)	110	−3
Clover Croft	30	.....	Lovell's Ship £1	100	.....	Clondalkin	45	+1
Craig & Rose £1	335xd	.....	Nthn. Goldsmith	87	.....	Concrete Prods.	95	.....
Dyson (R. A.)	13	.....	P.M.A.	44	.....	Heiton (Hldgs.)	22	.....
Ellis & McHdy.	69	.....	Pearce (C. H.)	80	.....	Ind. News	40	.....
Evans Frk. 10p.	25	.....	Peel Mills	14	.....	Ins. Corp.	160	.....
Evered	12	.....	RobbCaledon 5p	30	−1	Irish Distillers.	54	+1
Fife Forge	45	.....	Sayers 12½p	14	+1	Irish Ropes	92xc	−23
Finlay Pkg. 5p	36½	.....	Sheffield Brick	84	.....	Jacob	61	.....
Grand Seed 20p	252	.....	Sheff. Refrshmt.	140	.....	Sunbeam	12	.....
Grong Ship. £1	322	.....	Shiloh Spinn.	24	.....	T.M.G.	92½xc	.....
Hallam sleigh 10p	8	.....	Sindall (Wm.)	50	.....	Unidare	70	.....

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31, 1975, in the principal equity sections of the F.T.-Actuaries Share Indices. It also contains the F.T. Gold Mines Index.

Rubbers	+23.11	All-share Index	+ 0.23
Tins	+18.05	Consumer Goods (Non-durable) Group	− 1.85
Toys and Games	+16.40	Breweries	− 1.97
Insurance (Brokers)	+16.05	Packaging and Paper	− 2.07
Teas	+15.25	Stores	− 4.07
Motors and Distributors	+11.81	Mining Finance	− 4.45
Office Equipment	+11.81	Food Retailing	− 5.03
Oil	+11.73	Textiles	− 6.03
Engineering (General)	+ 8.82	Banks	− 6.60
Chemicals	+ 8.09	Building Materials	− 6.74
Engineering (Heavy)	+ 7.89	Entertainment and Catering	− 7.66
Electricals	+ 6.72	Financial Group	− 7.79
Machine Tools	+ 6.40	Insurance (Composite)	− 8.83
Consumer Goods (Durable) Group	+ 5.11	Coppers	− 8.85
500-Share Index	+ 3.10	Insurance (Life)	−11.46
Food Manufacturing	+ 2.85	Merchant Banks, Issuing Houses	−11.84
Shipping	+ 2.67	Hire Purchase	− 2.93
Overseas Traders	+ 2.51	Discount Houses	−11.16
Electronics, Radio and TV	+ 2.42	Investment Trusts	−11.97
Capital Goods Group	+ 2.15	Property	−12.21
Newspapers and Publishing	+ 1.75	Contracting and Construction	−18.67
Industrial Group	+ 1.55	Gold Mines FT	−23.20
Tobacco	+ 0.53		
Wines and Spirits	+ 0.52		
Household Goods	+ 0.27		

* Percentage changes based on Tuesday, June 8, 1976, indices.

WOOD & SONS (HOLDINGS) LIMITED

Earthenware Manufacturers

☆ PRE-TAX PROFIT UP — 24%
☆ SALES UP — 28%
☆ EXPORTS UP — 30%

I have pleasure in announcing another successful year's trading, and I am able to report that for the seventh successive year profits of your Company have increased significantly, despite high inflation and a world-wide trade recession.

H. FRANCIS WOOD, Chairman

Year ended 31 December	1975	1974
Turnover	£2,999,373	£2,329,578
Profit before Tax	£206,161	£165,529
Earnings per 5p share	2.03p	1.72p
Dividend— max. permitted	16.38%	15.08%

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

مكتبة الأصل

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	1976 Low	Stock	£	+ or −	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
99½	92¾	Treasury 6½pc 1976‡‡	99⅛	.....	6.56	11.12
98⅝	98⅝	Victory 4pc 1976‡‡	98⅝		4.04	—
101⅝	99¾	Treasury 10½pc 1976‡‡	100½xd	−⅛	10.48	10.22
98⅛	95⅝	Treasury 6¼pc 1977‡‡	97⅛	+⅛	6.44	10.35
97¼	94½	Electric 3pc 74-77	95¾	.....	3.13	8.84
103⅛	92⅝	Treasury 11½pc '77‡‡	100⅝	.....	11.43	10.87
94⅛	91⅝	Treasury 3pc '77‡‡	94½xd	−⅛	3.18	7.38
94½	92¼	Transport 4pc '72-77	94½xd	+⅛	4.21	7.57
99¾	90½	Treasury 9pc 1978‡‡	96⅝	.....	9.32	11.16
101½	97	Treasury 10½pc '78‡‡	99⅛	−⅛	10.60	11.04
93⅝	89⅝	Exchequer 5pc '76-78‡‡	92¼	.....	5.42	8.77
103⅜	97⅞	Treasury 11½pc '79‡‡	100¼	+¼	11.47	11.36
88⅝	83⅝	Treasury 3pc '79‡‡	86⅞	.....	3.45	7.59
89⅝	73⅞	Electric 4¼pc '74-79	87⅞	.....	4.83	8.53
100⅞	94⅞	Treasury 10½pc '79‡‡	97⅜	+⅛	10.77	11.48
86⅛	83⅝	Electric 3½pc '76-79	86⅞	.....	4.03	7.93
96⅜	90¾	Treasury 9pc 1980‡‡	92⅜	+⅛	9.70	11.40
96½	91¼	Treasury 9½pc '80‡‡	93½	.....	10.16	11.59
86	82¼	Treasury 3½pc '77-80	84⅝xd	−⅛	4.13	8.06
88½	71	Funding 5¼pc '78-80‡‡	87⅝xd	−⅛	5.99	8.99
103⅛	96⅞	Treasury 11½pc 1981	99⅛xd	+⅛	11.60	11.75
86	79	Treasury 3½pc 1979-81	81	+⅛	4.32	8.49
95⅝	90⅛	Treasury 9¾pc 1981‡‡	92⅜	.....	10.57	11.91
		Five to Fifteen Years				
94⅞	86⅛	Treasury 8½pc '80-82‡‡	87xd	.....	9.68	12.52
107¾	99⅞	Treasury 12pc 1983‡‡	101¼	−¼	12.18	12.32
81⅛	73¼	Funding 5½pc '82-84‡‡	76½xd	.....	7.17	9.95
87⅝	79⅞	Treasury 8½pc '84-86‡‡	81½xd	.....	10.39	11.61
74⅞	67⅞	Funding 6½pc '85-87‡‡	69⅛	.....	9.50	11.70
77⅝	71	Treasury 7¾pc '85-88‡‡	75½	.....	10.73	12.28
51¼	45⅞	Transport 3pc '78-88	48⅜xd	+⅛	6.19	10.72
59⅞	52¾	Treasury 5pc '86-89	54⅜	+⅛	9.26	11.99
105¾	93¾	Treasury 13pc 1990‡‡	95xd	+⅛	13.51	13.62
75⅞	68	Treasury 8¼pc '87-90‡‡	69⅝xd	.....	11.81	12.97
60	53⅛	Funding 5¾pc '87-91‡‡	54⅞	+⅛	10.68	12.75
		Over Fifteen Years				
100½	87⅝	Treasury 12¾pc '92‡‡	97¼	−⅛	13.81	13.95
98½	85¾	Treasury 12½pc '93‡‡	89⅜xd	+⅛	13.81	13.98
58	50⅝	Funding 6pc 1993‡‡	52⅝	.....	11.72	13.24
75⅞	66⅛	Treasury 9pc '94‡‡	69	.....	13.15	13.74
36½	32⅛	Gas 3pc '90-95	33¼	.....	9.11	12.10
100	87⅞	Treasury 12¾pc '95‡‡	91¼	.....	14.03	14.12
75⅞	66⅜	Treasury 9pc '92-96‡‡	69¼	.....	13.38	13.88
—	—	Excheq. 13¼pc '96‡‡	£94	.....	14.10	14.17
35½	31	Redemption 3pc 1986-96	33⅝	.....	9.21	11.83
102½	88	Treasury 13¾pc '97‡‡	98¼	.....	14.14	14.19
104⅝	89¼	Do. 13¾pc '97 'A'‡‡	100⅝	.....	14.17	14.20
70½	64⅜	Treasury 8¾pc 1997‡‡	67⅛	.....	13.50	13.93
57⅞	50⅛	Treasury 6¾pc '95-98‡‡	52¼	.....	13.10	13.83
76	65½	Treasury 9½pc 1999‡‡	68⅝xd	.....	13.66	13.97
31⅞	27¼	Funding 3½pc '99-04	28⅜xd	.....	12.19	13.14
65	56¾	Treasury 8pc '02-06‡‡	59¼	.....	13.84	13.99
46⅞	39⅝	Treasury 5½pc '08-12‡‡	41⅝	.....	13.67	13.81
60⅞	52¼	Treasury 7¾pc '12-15‡‡	58¼	.....	14.00	14.04
		Undated				
30⅝	26⅝	Consols 4pc	29⅛	.....	14.44	—
27⅞	24⅝	War Loan 3½pc‡‡	25⅜xd	.....	13.77	—
28⅞	25¼	Conv. 3½pc '61 Aft.	26⅞	.....	13.35	—
23¼	20⅝	Treasury 3pc '66 Aft.	21⅛	.....	14.57	—
19⅝	17	Consols 2½pc	17⅝xd	.....	14.04	—
19½	16⅞	Treasury 2½pc	17⅛	.....	14.58	—

**INTERNATIONAL BANK

1976 High	1976 Low	Stock	£	+ or −	Yield Int.	Yield Red.
99¾	98¼	5pc Stock 1976	99⅛	−⅛	8.08	13.74
73	68½	5pc Stock '77-82	72½	+¼	7.05	11.72

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 47⅜% (based on $1.7745 per £)

Conversion factor 0.8786 (0.6850)

CANADIANS

1976 High	1976 Low	Stock	£	+ or −	Div. Gross	Cvr	Y'ld Gr's
13½	10⅞	Bk Montreal $2	12⅝xr	−¼	$1.00	—	4.5
35⅝	29⅛	Bk Nova Scot $2	34	+1	$1.60	—	2.7
42⅛	33¼	Bell Canada 25c	40⅞	.....	$3.44	—	4.9
23½	12	Bow Valley $1	19⅞	+1¼	10c	—	0.3
990p	860p	Brascan	870p	−5	$1.00	—	6.5
29⅛	19⅛	Can Imp Bk $2	22¼	+½	$1.28	—	3.3
15⅛	10⅝	Can Pacific $5	14¼	+⅛	84½c	—	3.3
29⅛	26½	Do. 4pc Deb £100	28¼xd	−¼	4%	—	14.1
37⅛	21⅞	Gulf Oil Can	26¼xd	−¼	$1.00	—	2.2
670p	500p	Hawker Sid. Can	500p	.....	36c	—	4.1
31¼	22	Hollinger $5	29⅞	.....	$1.60	—	3.5
18	12⅞	Hudson's Bay 1	16¼	+⅛	60c	—	2.0
34⅝	26⅝	Hud B Oil G $2½	31⅜	−¼	$1.40	—	2.6
22¼	17	Imperial Oil	18⅜	−⅜	80c	—	2.4
31¼	19½	Inco	27	−⅛	$1.40	—	2.9
820p	660p	Int. Nat. Gas $1	750p	.....	80c	—	6.1
24¼	16	Massey Ferg. ‖	22½	.....	$1.00	—	2.5
27⅞	20¼	Pacific Pet. $1	26¼	−⅛	80c	—	1.7
37p	24p	Place Gas $1	33pxd	−4	.....	—	—
29⅛	22⅞	Rio Algom	26¼xd	+1¼	$1.00	—	2.1
25	20½	Royal Bk Can $2	23¾	+⅝	$1.28	—	3.1
25¼	20⅛	Seagram Co C$1	21	+⅛	80c	—	2.2
26⅞	13⅞	Tor. Dom Bk $1	15⅛	−⅛	70c	—	2.6
11	830p	Trans Can Pipe 33½c	990p	.....	88c	—	5.1
790p	680p	White Pass	735pxd	−10	♦35c	—	2.7

S.E. List Premium 47⅜% (based on $1.7365 per £)

BANKS AND HIRE PURCHASE

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
250	195	Alexanders D. £1	208	−5	11.67	—	8.6	—
£110	£89	Algemene Fl.100	£92	+2	Q21%	♦	4.2	♦
490	355	Allen Harvey £1	365	.....	25.0	—	10.5	—
128	97½	Allied Irish	108	.....	Q6.89	—	6.4	—
60	38	Anglo Contnl	40	+2	—	—	—	16.1
195	155	Arbuthnot L. £1	160	.....	†7.61	—	7.3	—
*490	377	Aust. & N.Z. £1	490xr	.....	t10.01	—	3.1	—

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1976 High	1976 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
359	298	Imp. Cont. Gas £1	317	+2	17.98	2.2	3.9	20.5
51	42	Ingledon Lamb	42	......	†3.04	2.1	11.2	6.5
24	18	Ingall Inds. 10p	18	...	‡1.57	1.7	13.4	7.1
66½	56	Initial Services	56	−3	†3.37	2.2	9.3	7.6
14½	11	Inter-City 20p	11½	......	0.8	2.5	11.2	5.5
151	110	Int. Computers £1	130	...	0.65	32.9	0.8	5.4
30	24½	James (John)	25½	......	†d2.12	1.3	12.0	7.9
31	25	James (M.) 10p	26	......	2.57	ϕ	16.2	ϕ
422	315	Jardine M. SHK$	327	−1	Q63c	2.3	2.2	19.9
11	7¼	Jentique 5p	8	......	†0.49	2.4	9.5	6.8
22	13	Johnson & B 12½p	13	....	hd0.78	1.4	10.5	(8.2)
42	32	Johnson Cleaners	34	+1	2.32	2.3	10.5	6.4
390	325	Johnson Mthy. £1	375	−15	11.08	ϕ	5.3	ϕ
32	12	Judge Int.	18	.....	‡1.85	1.7	[illegible]	—
24½	19	Kalamazoo 10p	20	−½	1.57	1.4	12.1	9.1
54	45	Kelsey Inds. 10p	46	......	2.63	5.5	9.0	4.8
20	13	Kennedy Sm. 10p	14	......	1.38	1.9	15.2	5.4
760	525	Kershaw (A.) 5p	625	−25	12.81	0.6	3.2	—
230	154	Kleeman	166	......	4.16	5.6	3.9	7.1
45	27	Kode Int.	36	......	1.33	3.3	5.7	8.3
74	60	L.C.P. Hldgs.	63	...	13.9	2.4	9.5	9.7
26	22	L.K. Ind. Invs.	24	.	2.16	1.8	13.7	6.1
49½	33	L.R.C. Int. 10p	37½	−½	†2.0	1.1	8.2	16.6
90	69	Lamson Inds.	81	−1	2.5	2.2	4.8	15.0
40	16	Lawtex	16	−1	‡2.58	2.0	[illegible]	—
156	118	Lead Inds. 50p	143	−2	5.09	3.4	5.5	8.2
62	55	Leadenhall Sig.	57	..	3.32	ϕ	9.2	ϕ
70	42	Le Bas (Ed.)	63	.	1.48	13.3	3.6	3.2
45	30	Leboff Fobel 10p	32½	+½	1.46	ϕ	7.2	ϕ
58	40	Lebus Harris	43	1	2.93	3.2	10.5	3.3
37	27	Leigh Ints. 5p	28	....	0.93	ϕ	4.5	ϕ
84	73	Leisure Car. 10p	76	...	4.32	ϕ	10.2	ϕ
136	90	Lep Group 10p	90	...	2.54	5.9	4.3	5.3

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

[illegible]

NOTES

[illegible]

"Recent Issues" and "Rights" Page 23

FINANCIAL TIMES
Thursday June 10 1976

Algerian and Libyan troops for Lebanon

BY JAMES BUXTON

SYRIAN FORCES were reported last night to be observing a ceasefire in Lebanon as Algerian and Libyan troops were despatched to join them. According to a Government spokesman in Damascus the ceasefire began in the afternoon, and the Syrians halted their advance 12 miles from the outskirts of Beirut.

Another report quoted sources in Cairo as saying President Assad of Syria had accepted in principle the resolutions of the Arab League aimed at ending the fighting in Lebanon.

The resolutions, which were put to him yesterday by a four-man delegation from the Arab League which flew to Damascus from Cairo, called for an immediate ceasefire, withdrawal of Syrian troops, the formation of a joint Arab peacekeeping force and a round table conference of Lebanese factions to discuss a political settlement.

In practice Syria is clearly not prepared to withdraw her forces from Lebanon. But there were indications that Syria was prepared to accept a joint peacekeeping force.

Earlier in the day she announced that "symbolic units" from Algeria and Libya would shortly be arriving in Damascus to join her forces in Lebanon. Agreement on their despatch had been reached on Tuesday night after telephone conversations between President Assad and President Boumedienne of Algeria and Colonel Khedaffi of Libya.

The move appeared to some extent to pre-empt the Arab League, which said that in addition to Syria, Libya and Algeria, Saudi Arabia, the Sudan and the Palestine Liberation Organisation were also prepared to send troops to Lebanon.

The Syrian régime apparently believes that while it must, with the largest military contingent, maintain ultimate responsibility for a settlement in Lebanon, the presence of such Left-wing Arab countries as Algeria and Libya in the peace-keeping force gives the ceasefire a much better chance of being accepted by the Palestinians and the Left-wing forces in Lebanon. The other countries might be able to send forces later.

In Baghdad troops made a well-publicised departure for an undisclosed destination to play a part in the Lebanon crisis. There was a speculation that the troops might be destined either for a Lebanon peacekeeping role, or to move up to the Syrian border to put pressure on the Damascus Government. Syria and Iraq are on bad terms.

The Soviet Union, which has increased the number of its ships in the Mediterranean to a level almost as high as just before the October 1973 war, called for an end to foreign intervention in Lebanon and demanded an immediate ceasefire. In a veiled warning to France, which has offered to send forces to Lebanon, and to the U.S., whose Sixth Fleet is in the region, the statement, issued by Tass, said the USSR was as interested in Lebanese events as any other nation. It attacked "foreign" powers which it said had threatened military interference.

Mr. Abdel Halim Khaddam, the Syrian Foreign Minister, arrived in Cairo last night with the Arab League delegation which had spent the day in Damascus. The delegation was headed by Arab League secretary-general Mahmoud Riad. The League had spent the previous night debating and finally accepting a peace proposal for Lebanon put forward by Yasir Arafat, PLO chairman.

Despite the reported ceasefire Syrian tank and troop reinforcements were said to be moving from Zahle, in the Bekaa valley, to forward positions. The Syrians claimed that their troops had stopped at Bhamdoun, 12 miles from the outskirts of Beirut, and were just outside the port of Sidon, in the south, and inside the port of Tripoli in the north.

The Syrian troops did not appear to have advanced during the day till the ceasefire. The thrusts made towards Beirut and Sidon on Tuesday were thought to have been blunted by the Palestinians and Left-wing forces.

Beirut under siege Page 5

Main thrusts blunted

There were no significant Syrian advances in Lebanon yesterday and the main Syrian thrusts appeared to have been blunted by vigorous Palestinian and Left-wing defence.

There were reports of heavy shelling and mortar battles in Beirut where food is running short, and in Sidon, where Palestinians claimed to have destroyed several Syrian tanks.

Chrysler losses increased by fall in sterling

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CHRYSLER U.K. is expecting to make higher losses than it had originally budgeted for this year because of the recent slide in the value of the pound.

This surprising effect of sterling's recent devaluation emerged yesterday during cross-examination of Chrysler's senior management by the Common's Trade and Industry sub-committee investigating the terms of the Government's rescue plan for the company.

Chrysler's team faced persistent questioning by Mr. Robin Maxwell-Hyslop, the Conservative MP for Tiverton, who recently threw a spanner into the Government's plans to nationalise the shipbuilding and aircraft industries. It admitted that Chrysler had approached the Department of Industry only this week to tell officials that it would need the full £40m. set aside by the Government to cover the company's losses this year.

Until recent weeks Chrysler had been budgeting for losses of a little less than the full £40m.

Chrysler's problems stem from the fact that it is importing its new Alpine from France and paying in francs, which is increasing its import bill. But its important exports to Iran are being paid for in sterling.

The Iranian contract is also fairly inflexible with only one escalation clause attached to the mechanical engineering index. Negotiations on prices on the basis of this index are held with the Iranians on a six-monthly basis.

Despite these difficulties, however, Chrysler remains optimistic that it can return to profit next year as it indicated in the Government rescue plan. There was a possibility, said Mr. Gilbert Hunt, chairman, that it could be operating profitably by December this year.

This improvement in Chryslers' prospects had been made possible by a 22 per cent. increase in productivity this year, said Mr. Hunt.

The better trend was the result of the workers' new outlook and improved relations within the company. In the past, attempts to raise productivity had failed because of persistent bouts of industrial action.

Western countries likely to renew trade pledge

BY REGINALD DALE, EUROPEAN EDITOR

THE WESTERN industrialised countries are expected to renew their so-called trade pledge, an undertaking not to impose new unilateral trade restrictions, when the OECD Ministerial Council meets in Paris this month.

Britain is likely to support the pledge, adopted in May 1974, subject to the same two provisos she made when the undertaking was renewed for a year in May last year. These were that surplus countries continue to do their share to increase trade by reflating their economies: and that a need for arrangements to finance deficit countries must be recognised.

The U.K. view is likely to be that these two conditions are being fulfilled. Most major countries have stimulated their economies and the recovery is well under way. The U.K. can hardly complain about financial arrangements in the wake of the $5.3bn. standby.

It would in any case be difficult for Britain to refuse the pledge at a time when she is so dependent on its major trading partners for financial support.

Unclear

The U.K. also apparently feels that the pledge need not interfere with its freedom to impose temporary import controls in specific sectors, as it did last December, although it is not yet clear whether the Government will want to raise this point in Paris. Government policy remains, it is stressed in London, that generalised import controls must be rejected.

Nevertheless, there is likely to be some discussion at the June 21 meeting as to the relevance of continuing with the pledge, initially designed to cope with the aftermath of the oil crisis, now that the recession is on the ebb. Other countries may also want to add their provisos in Paris.

The secretariat says there is still need for the pledge, as the current account of the balance of payments of the OECD area is bound to move into substantial deficit in the coming year: sectoral and structural difficulties will persist: and unemployment remain relatively high.

The OECD is asking Ministers to underline the need for rapid ratification of the Organisation's new $23bn. Financial Support Fund, or "safety net," to help countries in serious economic difficulties that have run out of other sources of finance. Of the 24 OECD members only 11 countries, accounting for 34 per cent. of total quotas, have so far deposited their ratification instruments.

Three other countries, accounting for 21.6 per cent. of quotas, are on the point of ratifying, while the remaining ten have submitted the agreement to their Parliaments, and may complete the ratification process by next month. The largest contributor the U.S., with a 27.8 per cent. quota, is in the last category.

Britain, among those that have already ratified, is making it clear that she would look to the IMF before the "safety net" if she needed further international finance. But in the last resort the U.K. could draw up to $3.6bn. from the OECD facility, when it comes into operation.

The agreement comes into force when the sum of the quotas of the countries that have ratified reaches 90 per cent. of the total. Alternatively, when at least 15 countries, with quotas representing 60 per cent. of the total, have ratified, they may decide to bring the agreement into force between themselves.

ICI unsubscribed rights will go to institutions

BY MARGARET REID

SHARES WORTH perhaps £20m., which have not been subscribed for under Imperial Chemical Industries' £200m. rights issue, are expected to be disposed of through a placing with investing institutions next week.

The ICI issue, the largest made in London, closes this afternoon. The view in the City last night was that it would prove successful, with the proportion of the offered shares taken up by holders working out at around 90 per cent.

Even such a high percentage response, which would be considered fully satisfactory, would leave some 6.2m. shares, worth around £20m., not subscribed for.

In accordance with normal arrangements, these shares would then be sold. With many issues, such a disposal would involve only a modest amount.

But in the case of ICI, Britain's largest industrial group, making an issue of unprecedented size, the sale must inevitably be a major one.

However, if present market conditions continue, the indications are that the big placing of the remaining new ICI shares should present no problems and should be readily arranged.

Last night, ICI shares closed unchanged at 360p, comfortably above the rights issue offer price of 330p. It is expected, subject to any major alteration in the market context, that a placing could be arranged at a very modest discount in the region of 2 per cent. or so (say 7p or 8p) below the market price.

This would produce proceeds well in excess of the offer price, so that there would be no question of the underwriters having to take up any of the stock. The bulk of the premium gained over the offer price from the expected sale will be earmarked for holders who did not take up their rights.

The big placing operation is likely to take place in the early or middle part of next week.

The result of the issue, showing exactly how many of the offered 61.78m. shares were subscribed for by ICI's 530,000 shareholders, is expected to be disclosed shortly after the placing, perhaps on Thursday or Friday.

EEC fines Hoffman La Roche for unfair rebate system

BY DAVID CURRY — BRUSSELS, June 9

THE BRUSSELS Commission has fined Hoffman La Roche, the Swiss pharmaceutical company, 300,000 units of account (£125,000) for breach of EEC anti-trust laws.

It has been fined under Article 86 of the Treaty of Rome for abusing its dominant position in the vitamins market by the use of a system of "fidelity rebates."

This scheme — now discontinued—rewarded clients for purchasing their full range of vitamins from the company.

This, in the Commission's opinion, inhibited them from seeking a part of their needs elsewhere.

The Hoffman La Roche case, which has lasted nearly two years, has been one of the Commission's most politically delicate inquiries. The Commission had based its investigation on evidence volunteered by Mr. Stanley Adams, a British former employee of the company in Italy.

Mr. Adams was subsequently charged by the Swiss authorities with industrial espionage, bailed by the Commission, and his trial is now imminent.

It is being suggested in Brussels that one of the reasons for the unexpected lowness of the fine may be the hope of influencing the trial verdict.

The company to-day confirmed the amount of the fine and repeated its objections to being charged on the basis of evidence supplied by a former employee who had approached the Commission with material taken from the company.

It said it would subject the decision to legal scrutiny in the light of "the influence by political considerations" of the Commission's verdict.

It argued that the contractual stipulations the Commission had ordered to be annulled had been abandoned a year ago, after the Brussels authorities had first expressed misgivings about them.

La Roche commented that the new contract submitted to Brussels at that time had not yet been discussed by the competition department with the company.

Brussels, for its part, has always emphasised that the discontinuation of a practice does not exclude the possibility of punishment for past sins.

The Swiss concern added that it would await further details of the Commission's decision before deciding whether to appeal to the European Court of Justice in Luxembourg.

The low fine probably reflects the competition department's anxiety to make its verdict acceptable to the Court of Justice.

A sequence of cases involving stiff fines has recently come badly to grief on appeal in the court, leading to a general determination by the Commission to do its homework more thoroughly to guard against being overturned on appeal.

Weather

U.K. TO-DAY

RAIN or showers, sunny spells.

London, S.E. and Cent. S. England, E. Anglia, E. Midlands
Rain in places. Drier later. Wind W., light. Max. 22C (72F).

E. and Cent. N. England
Rain, becoming brighter. Wind S.W., moderate. Max. 20C (68F).

W. Midlands, S.W. England, Wales, I. of Man, Channel Is.
Sunny periods, showers. Wind S.W., moderate. Max. 18-19C (64-66F).

N.W. England, Lakes, S.W. and N.W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland
Sunny periods, showers. Wind S.W. moderate or fresh. Max. 15-16C (59-61F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland
Rain, sunny spells later. Wind S.W., moderate or fresh. Max. 15C (59F).

Outlook: Mostly dry, sunny spells.

Lighting-up: London 21.45, Manchester 22.05, Glasgow 22.29, Belfast 22.27.

Pollen count: 210 (Very high).

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	C	25	77	Madrid	F	24	75
Amsterdm.	S	29	84	Manchester	S	25	77
Athens	F	26	79	Melbourne	R	13	55
Barcelona	F	22	72	Milan	S	29	84
Belfast	F	17	63	Montreal	S	25	77
Belgrade	F	23	73	Moscow	C	10	50
Berlin	S	20	68	Munich	S	25	77
Birmghm.	S	26	79	Newcastle	S	25	77
Bristol	S	23	73	New York	F	31	88
Brussels	S	30	86	Oslo	F	21	70
Budapest	F	23	73	Paris	F	31	88
B. Aires	S	16	61	Perth	S	18	64
Cairo	S	40	104	Prague	S	21	70
Cardiff	F	20	68	Reykjavik	F	10	50
Cologne	S	29	84	Rio de J'o	S	25	77
Copnhagn.	S	16	61	Rome	S	24	75
Dublin	R	15	59	Singapore	C	28	83
Edinbrgh.	F	21	70	Stockholm	F	18	64
Frankfurt	S	29	84	Strasb'rg	S	28	82
Geneva	S	27	81	Sydney	S	19	66
Glasgow	C	20	68	Tehran	S	28	82
Helsinki	F	16	61	Tel Aviv	S	26	79
Hong Kong	C	28	82	Tokyo	C	27	81
Jo'burg	S	23	73	Toronto	S	25	77
Lisbon	S	27	81	Vienna	S	22	72
London	S	29	84	Warsaw	S	16	61
Luxembg.	S	27	81	Zurich	S	26	79

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	25	77	Las Plms.	F	23	73
Algiers	S	24	75	Locarno	S	26	79
Biarritz	C	18	64	Luxor	C	35	95
Blackpool	S	19	66	Majorca	S	25	77
Bordeaux	C	21	70	Malaga	S	25	77
Boulogne	S	25	77	Malta	S	24	75
Casablnca.	F	21	70	Nairobi	S	20	68
Cape Town	R	15	59	Naples	S	26	79
Dubrovnik	C	23	73	Nassau	S	28	82
Faro	S	24	75	Nice	S	22	72
Funchal	S	22	72	Nicosia	F	24	75
Gibraltar	S	24	75	Oporto	S	19	66
Guernsey	F	17	63	Salzburg	S	25	77
Innsbruck	F	24	75	Tangier	S	21	70
Inverness	C	16	61	Tenerife	F	19	66
Isle of Man	C	14	57	Tunis	S	26	79
Istanbul	F	21	70	Valencia	F	24	75
Jersey	F	15	59	Venice	S	26	79

S—Sunny. F—Fair. C—Cloudy. R—Rain.

Export credits pact move

BY STEWART FLEMING — NEW YORK, June 9.

THE FIRST STAGE of an informal international understanding aimed at limiting competition between the leading industrial countries in granting easier terms on export credits was announced to-day in Washington by the U.S. Export Import Bank.

Mr. Stephen Dubrul, president of the Export Import Bank, said it was setting new and, in general terms, stricter guidelines for export credits. The principal tightening of the terms relates to down payment by the foreign borrower under an export credit agreement. This is being increased from 10 per cent. to 15 per cent.

The bank is also setting guidelines for interest rates, which will continue to be in the 8½ to 9½ per cent. range and for maximum repayment terms, which are 10 years for less developed countries and 8½ years for other borrowers.

Exceptions are allowed in certain areas, including financing of export sales of agricultural commodities aircraft and nuclear power plants, communications satellites, ground stations, conventional power plants and steel mills.

In **London** the Export Credits Department said that it was aware of the U.S. move, but was still considering its own arrangements.

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Censure motion

be put forward. He insisted the nationalisation Bill had reached its present stage because of a "broken pledge" on pairing.

In general the debate showed both Mr. Callaghan and Mr. Denis Healey, Chancellor of the Exchequer, in remarkably more confident mood than at the start of the week, thanks to the £5bn. standby credit for sterling and to the knowledge that defeat for the Conservatives was inevitable.

Mr. Callaghan painted a cautiously optimistic picture of the economy, estimating that inflation would be down to 7 or 8 per cent. by the end of 1977 and the rate of unemployment reduced to 3 per cent. by 1979.

Mrs. Thatcher, facing a major test in moving the motion of censure after the Government had clearly gained the initiative during the week, performed adequately, but not brilliantly, against a confident Mr. Callaghan.

Mr. Healey pitched into the Tories in his usual aggressive style, accusing them of exploiting national difficulties for party advantage. He argued that nothing would have done more damage to sterling than a general election at this time.

In his opinion everything the Tories had said and done about sterling was not calculated to strengthen it. Indeed, it had had the effect of sapping confidence in the currency.

Conservative fury at the Liberal's attitude erupted immediately after the division when more than 100 Tory backbenchers signed a motion noting that the Liberals had sustained the Government in office by their refusal to join with them.

THE LEX COLUMN

Bringing options into the open

For an issue which potentially has such wide ramifications, the proposals for establishing a market in traded options has received remarkably little public debate. So far the arguments have been broadly confined to a small band of committed enthusiasts and opponents, and have taken place in private. Now that the Stock Exchange has committed itself to sponsoring such a market, it is time for them to be brought out much more into the open.

The first point which needs to be clarified concerns the demand for such an innovation. A survey by the Stock Exchange apparently suggests that an overwhelming majority of major institutions are in favour of the idea. However a straw poll yesterday revealed more ignorance and indifference than any real enthusiasm. Some groups of investors, notably the unit trusts, have real doubts about whether they will be permitted to participate and others, like some of the insurance companies, are definitely hostile. And although it may be perfectly legitimate to argue that, far from being a gambling casino an option market can be a prudent way of redistributing risk, it is not an approach that seems to go down too well North of the Border.

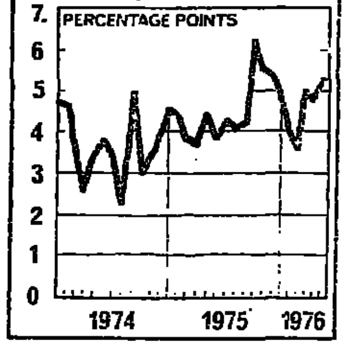
Attitudes might be expected to change if the market became successfully established. But so long as there is major uncertainty about the response, it will not be possible to answer another key question—which is about the cost of running such a market. Although it may be that there are clear benefits to be gained from such trading, they have to be related to the cost of dealing. And who pays? Some Stock Exchange members argue that the market should be kept within the existing system, for reasons of control, convenience and commission. Others argue that only the people who really want such a market should have to pay for it.

The possibility of conflicts of interest also needs to be debated, especially if it is decided that the market should be established "within the framework of the present membership and jobbing systems." A Chicago-style market rests on full disclosure, and up-to-date information about trading activity in both the option and the underlying security is available to the investor. It may be possible that disclosure of business in the underlying security is not absolutely vital. But it is hard to see how the system could operate if trading in the options themselves was also kept secret, as in the present jobbing system.

Other topics which ought to be considered further include the possible impact on prices and liquidity of the secondary market as a whole, and the mechanisms of the central clearing corporation. Above all, proponents of the scheme have to mount a major education programme for the general public as well as for the City.

Index fell 5.2 to 379.2

Differential between US and UK 3-month Treasury bill rates



Phoenix

The composite sector has fallen by an eighth in the last month, nearly twice as far as the market, following the disappointing results from the three majors most involved in the U.S. But yesterday Phoenix provided a reminder that the worldwide underwriting cycle is definitely turning up. The group has shared to the full in the continuing problems of the U.S. market—its share of the losses of the Continental pool increasing from £724,000 to £1.3m. in the first quarter—but the Australian results have improved by possibly £1m. and Canadian losses have been reduced despite winter storms in the maritime provinces.

In the U.K., profits have held up well so far—in the absence of heavy reserving on U.K. liability lines of a year ago and also because losses from the January storms were limited to about £750,000. The result is a first quarter underwriting loss of £1.97m. which, though higher than in the final two quarters of 1975, is well down on the £2.5m. deficit in the first quarter a year ago: pre-tax profits are £1.87m. higher at £4.73m. Although the group is not expecting an early significant recovery in the U.S., the improvement elsewhere should ensure a rise in pre-tax profits for 1976 as a whole of over a third to £25m. or more pre-tax. At 198p the yield of 6½ per cent. is in line with the average (excluding Commercial Union).

The problem for the share rating of both Phoenix and the rest of the sector is that there have been so many false dawns in underwriting in the past 18 months with ever worsening quarterly figures in the U.S. Even though a sizeable improvement is still expected in underwriting later in the year and sector profits growth in 1976 should still exceed the market average it now looks likely that the scope for further advances in 1977-78 may be smaller than at the peak of the previous cycle in 1971-72, when all world markets were strong together.

See also Page 21

Westland

Westland has been a very flat market over the past five weeks, so the interim statement, with its general note of optimism, arrives at a convenient moment. Once again there are no half-time figures which is a disappointment following last summer's rights issue. But group volume is "considerably" higher and Westland reaffirms that 1975-76 is going to be a year of profits growth now that the build-up in helicopter production is moving forward smoothly. This message fits in with January's balance sheet, which disclosed a rise of a fifth in net working capital including a 40 per cent. jump in stocks. Helicopters accounted for just under half profits before interest in 1974-75 and the scope for improvement can be seen in a return on average capital employed of just over 9 per cent. last year. This is less than half the combined returns for Westland's two other main divisions, hovercraft and air-conditioning components.

The market capitalisation at 58p is £33.7m. against attributable profits of £3.2m. last year. And the shares' 1975-76 yield is now 7.7 per cent. and likely to be solidly covered.

See also Page 21

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Price code

bargaining stance, there appears to have been little feeling that the talks had either reached a point of deadlock or were about to break down.

Though the CBI is undoubtedly disappointed not to have persuaded the Government to accept the idea of input costing, its real concern was over the total value of the eventual package.

The talks with officials over the last two weeks had led industry to believe that the value of the relief might be about only half of what they had expected after the Prime Minister's speech on the Price Code.

It was made clear at yesterday's meeting, however, that the Government still accepted the need for a substantial increase in company profits.

The CBI is now hopeful that the consultative document will include changes which will result in some of the benefits to industry which would have resulted from giving companies the option to use input costing.

Mrs. Williams said again yesterday that she wanted to find a formula for allowing companies to retain some of the benefits of increased efficiency and higher output.

One compromise being studied is that, when preparing an application for a price rise companies should be able to assume a static level turnover for the purpose of calculating fixed asset costs per unit.

At the same time, companies would be allowed to use input costs for labour while retaining output costs for raw materials. Volume gains arising from higher exports could also be excluded.

The Department of Prices is also thought to be looking for some compromise formula to allow companies to reflect at least a part of their increased working capital requirements in their profit ceilings.

In the same way, it is thought to be considering allowing companies to offset the effect of inflation both on assets and stocks.

Retailers seem to have lost hope of getting much relaxation on the gross margin control. Though they have modified their original demand for total abolition of gross margin ceilings, and asked instead for restoration of the 10 per cent. cut made in 1974 they have been told that little change will be made.

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